the state's marriage penalty, more fundamental work remains to be done. Settling only for superficial remedies without pursuing more fundamental changes, without working to structurally reform the state's progressive taxation, Ohio will continue to be plagued by mediocre economic growth that has kept families from climbing the ladder of prosperity for decades.[9]

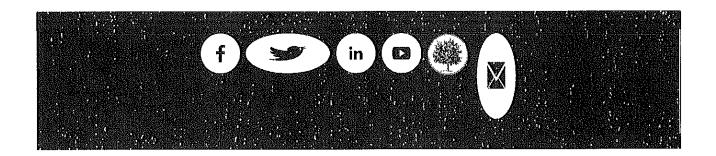
Thank you for your time and consideration. I welcome any questions the Committee might have.

- [1] W. Bradford Wilcox and Wendy Wang, *The Marriage Divide: How and Why Working-Class Families are More Fragile Today*, The American Enterprise Institute and Brookings Institute, September 2017.
- [2] W. Bradford Wilcox, Robert I. Lerman, and Joseph Price, Strong Families, Prosperous States: Do Healthy Families Affect the Wealth of States?, American Enterprise Institute, October 19, 2015.
- [3] Kyle Pomerleau, *Understanding the Marriage Penalty and Marriage Bonus*, Tax Foundation, April 23, 2015.
- [4] *Ibid.*
- [5] Staff for the Joint Committee on Taxation, *Fairness and Tax Policy*, Joint Committee on Taxation, March 3, 2015.
- [6] Katherine Loughead, State and Local Individual Income Tax Collections Per Capita, Tax Foundation, May 31, 2018.
- [7] Rea Hederman Jr., Tom Lampman, Greg R. Lawson, and Joe Nichols, *Tax Reform Principles for Ohio*, The Buckeye Institute, February 2, 2015.
- [8] *Ibid*.
- [9] Rich Exner, Ranking Ohio Governors for Jobs: John Kasich's Current Term is a Lot Like Ted Strickland's Record vs. the U.S., Cleveland.com, May 22, 2018.

#### ###

Founded in 1989, The Buckeye Institute is an independent research and educational institution - a think tank - whose mission is to advance free-market public policy in the states.

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The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

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Sent by info@buckeyeinstitute.org

From: Baker, Dan

Sent: Wednesday, June 6, 2018 9:14 AM

To: Schuring, Kirk; Smith, Ryan; Ryan, Scott; Kasych, Shawn; Best, Carolyn;

Blessing, Heather

**Subject:** FW: Preliminary Revenue Tables 6-6-18 **Attachments:** Preliminary Revenue Tables 6-6-18.pdf

Attached are the Revenue tables for May. Total tax receipts were \$58 M (2.9%) above estimate, for the year receipts are up by \$418 M (2.1%). This was a good month, the income tax was \$92 M (15.7%) above estimate. The big drag was the domestic insurance tax which was below estimate by \$66 M, this appears to be a timing issue that should resolve itself in June. The CAT, FIT and non-auto sales tax were also strong.

As I stated last month it is clear we will end the year with a substantial surplus, right now around \$500 M, most of which will be deposited into the BSF though there are significant spending bill that will drop that number such as the collective bargaining agreement, elections equipment and school security.

A full memo is forthcoming, otherwise let me know if you have any questions.

Dan

From: John.Charlton@obm.ohio.gov < John.Charlton@obm.ohio.gov>

**Sent:** Wednesday, June 06, 2018 8:47 AM

**To:** andy.shifflette@obm.ohio.gov; Ray DiRossi < Ray.DiRossi@ohiosenate.gov>; David Reedy < David.Reedy@ohiosenate.gov>; Baker, Dan < Dan.Baker@ohiohouse.gov>

Subject: Preliminary Revenue Tables 6-6-18

#### Good morning,

Attached you will find the preliminary revenue tables for May. The numbers will be sent to select statehouse media members this morning.

Also, June marks the 2-year anniversary of the state's Interactive Budget. If you haven't been there recently, check it out and share the url with your friends. <a href="http://interactivebudget.ohio.gov/">http://interactivebudget.ohio.gov/</a>

Thanks and have a great day!

## John Charlton

Communications Director (614) 466-6573

30 E Broad Street, 35th Floor , Columbus, OH 43215 | obm.ohio.gov

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·--i

		GENERAL REVENU ACTUAL FY 2018 VS (\$ in thu	GENERAL REVENUE FUND RECEIPTS ACTUAL FY 2018 VS ESTIMATE FY 2018 (\$ in thousands)		ļ	ē.
	MONTH		HI WANTED	YEAR-TO-DATE	-DATE	
ACTUAL ESITMATE MAY MAY	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
724,834 733,200 136,956 121,500	(8,366)	56) -1.1% 56 12.7%	7,916,323 1,312,186	7,952,200	(35,877)	6.5% 6.2%
	7,090		9,228,510	9,188,300	40,210	0.4%
682,754 590,200	92,554	54 15.7%	7,582,045	7,180,100	401,945	2.6%
	54		2,016	O	2,016	N/A
	11,075	75 40.7%	183,846	163,000	20,846	12.8%
0 0 0	5/5/1		5.442	4,800	2,7,2 542 642	13.4%
	4,658	15	119,132	109,100	10,032	9.2%
	1,679		320,057	331,600	(11,543)	-3.5% 2.5%
31,187 28,700	2,487		69,549 670 190	004,44 004,44	4,049 (805,7)	6.2% -2.4%
	(56,874)	74) -74.5%	24,449	93,200	(68,751)	-73.8%
			(263)	0	(263)	N/A
60	(894) (548)	. 4	796,298 50,203	797,300 51,600	(1,002) (1,397)	-0.1%
3,749 3,700	<b>4</b>	⊷(	43,825	42,000	1,825	4.3%
14 0	14	14 N/A	145	005 016 01	418 658	N/A
7,067,750	0761/5		50,522,13	75,010,000	000,041	2
628,870 661,969	(33,099)	39) -5.0% 0.8	8,686,578	8,930,059	(243,481)	-2.7% 6.0%
(2.411) 630	(3,041	i	58,465	56,380	2,085	3.7%
<b>6</b> 7 6	(2,359)	59) -79.2% 30) -100.3%	247,967 15,683	278,940 9,500	(30,973) 6,183	-11.1% 65.1%
9	(48,030)		9,055,351	9,318,879	(263,529)	-2.8%
2,714,368 2,704,479	688'6	0.4%	29,284,509	29,129,379	155,130	0.5%
c	-	Ø/W	c	c	C	N/A
1.20	(1.200)	20) -100.0%	133,327	130,129	3,198	2.5%
0 0	0		0	0	0	N/A
0 1,200	(1,200)		133,327	130,129	3,198	2.5%
2,714,368 2,705,679	8,689	0.3%	29,417,836 29,259,508	29,259,508	158,327	0.5%

Table 2
GENERAL REVENUE FUND RECEIPTS

Preliminary

			4	CTUAL FY 2018 V (\$ in the	ACTUAL FY 2018 VS ACTUAL FY 2017 (\$ in thousands)			
		MONTH	+			YEAR-TO-DATE	-DATE	
REVENUE SOURCE	MAY FY 2018	MAY FY 2017	\$ VAR	% VAR	ACTUAL FY 2018	ACTUAL FY 2017	\$ VAR	% VAR
rax RECEIPTS Non-Auto Sales & Use Auto Sales & Use	724,834 136,956	787,279	(62,445) 7,926	-7.9% 6.1%	7,916,323 1,312,186	8,413,287 1,265,997	(496,963) 46,189	3.6%
Subtotal Sales & Use	861,790	916,309	(54,519)	-5.9%	9,228,510	9,679,284	(450,774)	-4.7%
Personal Income	682,754	556,534	126,220	22.7%	7,582,045	6,817,379	764,666	11.2%
Corporate Franchise	45	279	(234)	-83.9%	2,016	3,650	(1,634)	-44.8%
Financial Institutions Tax	38,275	27,925	10,351	37.1%	183,846	160,520	23,326	14.5%
Commercial Activity Tax	326,673	279,785	46,887	16.8%	1,511,932	1,285,340	226,592	17.6%
Petroleum Activity Tax	0	0	0	N/A	5,442	5,014	428	8.5%
Public Utility	35,358	33,904	1,454	4.3%	119,132	106,469	12,663	11.9%
Kilowatt Hour	24,7/9	23,443	1,336	, i	320,05¢	325,249	(261,42)	-1.8%
Natural Gas Distribution	31,18/	25,327	4,861	18.5%	מיניקט ניניק ניניק ניניק	02/,10	(20,100)	10.20%
Foreign insurance Domestic Insurance	22,989)	(9,455)	17.361	312.0%	24,449	5.735	17.714	263.0%
Other Business & Property	0	0	D	N/A	(263)	(678)	415	61.2%
Charette and Other Tobacco	80 706	82,653	(1.947)	.2.4%	796,298	822.695	(26.397)	-3.2%
Alcoholic Beverage	4,052	4,578	(526)	-11.5%	50,203	51,944	(1,740)	-3.4%
Liquor Gallonage	3,749	3,718	31	0.8%	43,825	42,391	1,434	3.4%
Estate	14	68	(75)	-84.7%	145	668	(523)	-78.2%
Total Tax Receipts	2,087,318	1,951,654	135,665	7.0%	20,229,158	19,694,525	534,634	2.7%
NON-TAX RECEIPTS Federal Grants	628.870	947.141	(318.271)	-33.6%	8.686.578	10,750,516	(2,063,938)	-19.2%
Carried on Toughthoute			i	M/A	46 658	37.303	S C	25.1%
tions of my surents	(14.0)	27.5	(3 708)	7 AV 40%	78 46E	78.84	(380)	96.0
Other Tanoma	(4,711) 621	27.7	(4,700)	%C 9Z-	747 967	48,580	199 387	410.4%
Curet mounte	38	9,766	(9,796)	-100.3%	15.683	18,898	(3,216)	-17.0%
Total Non-Tax Receipts	627,050	959,890	(332,840)	-34.7%	9,055,351	10,914,142	(1,858,791)	-17.0%
OTAL REVENUES	2,714,368	2,911,543	(321,781)	-6.8%	29,284,509	30,608,667	(1,324,158)	-4.3%
TRANSFERS	c	c	c	MZA	c	c	c	M/A
Transfer to Other	9 6	11 157	(11.157)	ν/N	133 327	108.019	25.307	23.4%
Temporary Transfers In		0	0	ζ× X	0	0	0	N/A
Total Transfers	0	11,157	(11,157)	N/A	133,327	108,019	25,307	23.4%
TOTAL SOURCES	2.714.368	2.922.701	(208,333)	-7.1%	29,417,836	30,716,686	(1,298,850)	-4.2%
			•		•			

From: The Buckeye Institute

Sent: Wednesday, June 6, 2018 5:37 PM

To: Best, Carolyn

Subject: The Buckeye Institute: Energy Mandates and Subsidies Harm Ohio's

Economy



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

June 6, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

# The Buckeye Institute: Energy Mandates and Subsidies Harm Ohio's Economy

Greg Lawson Testifies Before the Ohio Senate Energy and Natural Resources Committee

Columbus, OH -- The Buckeye Institute's Greg R. Lawson testified today (see full text below or download a PDF) before the Ohio Senate Energy and Natural Resources Committee on House Bill 114.

In setting the context for his testimony, Lawson told policymakers that The Buckeye Institute "support[s] renewable energy and encourage[s] the growth of the renewable energy industry in Ohio. But we do not support government-imposed energy mandates of any kind. Our position against government mandates extends far beyond the renewable energy sector...The Buckeye Institute consistently opposes any mandates, subsidies, or bailouts for any energy resource."

Lawson went on to outline the harm Ohio's Renewable Portfolio Standard (RPS), even the lower standards in the Senate's version of House Bill 114, would inflict on the state's economy. "If the RPS mandates cap out at 8.5 percent, as proposed in the substitute version of House Bill 114, and the price of renewable energy credits increases to historical highs, we expect employment to be 1.4 percent less and the state's GDP to be 1.3 percent smaller. Such reductions will mean 63,000 fewer jobs in Ohio by the time the RPS is fully implemented."

Reminding policymakers that the RPS functions like a tax on electricity "by increasing the product's price without providing the consumer with any additional benefit or value," Lawson highlighted the reliability of Buckeye's dynamic macroeconomic model over static input-output models in assessing potential economic impacts of policies like RPS. "Input-output models fail to account correctly for behavioral changes such as the effects that a price increase has on electricity demand and total output — especially in energy-intensive industries...Thus, unlike other studies, our analysis accounts for economic realities like higher electricity prices and non-green sector layoffs rather than assuming or wishing them away."

#### ###

# Interested Party Testimony Before the Ohio Senate Energy and Natural Resources Committee on House Bill 114

## Greg R. Lawson, Research Fellow The Buckeye Institute June 6, 2018

Chairman Balderson, Vice Chair Jordan, Ranking Member O'Brien, and members of the Committee, thank you for the opportunity to testify today regarding renewable energy and House Bill 114.

My name is Greg R. Lawson. I am the research fellow at **The Buckeye Institute**, an independent research and educational institution -- a think tank -- whose mission is to advance free-market public policy in the states.

Members of this committee have diligently worked to find a responsible path forward for Ohio's renewable energy policy. And we appreciate that. We also recognize that the Renewable Portfolio Standard (RPS) would be modified in the Senate's substitute version of House Bill 114 to max out at 8.5 percent in 2022 rather than continue the march up Mandate Mountain to 12.5 percent in 2026 as under current law. Although that substitution certainly improves the status quo, we do not support Ohio having any RPS mandate.

To be clear, we support renewable energy and encourage the growth of the renewable energy industry in Ohio. But we do not support government-imposed energy mandates of any kind. Our position against government mandates extends far beyond the renewable energy sector. As our previous testimony against the Ohio Valley Electric Company

bailouts[1] and the Zero Emissions Nuclear Resource Program[2] made clear, The Buckeye Institute consistently opposes any mandates, subsidies, or bailouts for any energy resource.

On principle, we maintain that all customers, whether residential, commercial, or industrial, should remain free to use and purchase from a menu of energy options voluntarily. Government mandates that require quotas and compelled consumption not only infringe upon such freedom but are, in fact, unnecessary in today's energy market.

The Business Council for Sustainable Energy recently found, for example, that 18 percent of all energy generation in the United States comes from renewable sources,[3] which means that consumers are already choosing renewable energy. Furthermore, large renewable energy consumers like Amazon and EnerBlu just enlarged their footprint in Kentucky, right next door -- and Kentucky does not have renewable energy mandates.[4] EnerBlu, in fact, relocated its headquarters to Kentucky just this spring.[5] Other financial incentives perhaps enticed these companies to expand in Kentucky, but they did so voluntarily, choosing a non-RPS state over Ohio.

As they make Ohio less attractive and less competitive for businesses, energy mandates will generate their own harmful downstream effects on the state's economy.

Last year, The Buckeye Institute's Economic Research Center used its dynamic macroeconomic model to study the potential effects of Ohio's current RPS program under four different scenarios (explained in the attached Appendix).[6] Using historical data from the Public Utilities Commission, we calculated the percent increase in electricity prices caused by the cost of RPS compliance. Under the RPS, electricity providers purchase renewable energy credits -- or RECs -- which add expenses above and beyond the cost of buying and distributing wholesale electricity. Providers pass that additional cost on to consumers. Thus, RPS functions very much like a tax on electricity by increasing the product's price without providing the consumer with any additional benefit or value. Our dynamic economic model applied past and projected price increases caused by RPS to estimate the effect of this tax on state GDP and employment growth. The results, though not surprising, should concern this Committee as the model revealed that RPS reduces Ohio's GDP and curbs job growth across the state by increasing the costs of producing energy.

If, for example, the RPS mandates cap out at 8.5 percent, as proposed in the substitute version of House Bill 114, and the price of renewable energy credits increases to historical highs, we expect employment to be 1.4 percent less and the state's GDP to be 1.3 percent smaller. Such reductions will mean 63,000 fewer jobs in Ohio by the time the RPS is fully implemented. Even if REC prices remain constant at historical lows as the mandates

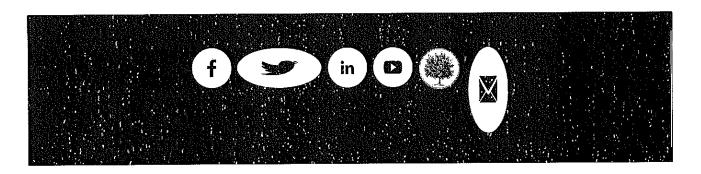
In Ohio, jail is far more expensive than supervised release, with the average jail bed costing almost \$65 per day, compared to \$5 per day for supervised release. Summit County, which has already implemented a verified risk-assessment tool, has estimated that it saved \$7.3 million in one year by adopting a pretrial risk-assessment tool and relying less on the money-bail system.

"Even accounting for its relatively large pretrial population and high daily-jail-bed cost, Summit County's early results suggest that pretrial reforms could provide substantial cost-savings across the rest of the state," Dew wrote in *The Ohio Model for Bail Reform*. "The proposed reforms give local jurisdictions more flexibility to implement changes and find cost savings than any other statewide bail reform initiative in the country."

#### ###

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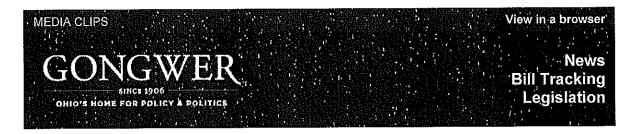
7:

From: Gongwer News Service

Sent: Wednesday, May 2, 2018 8:30 AM

To: Best, Carolyn

Subject: Ohio Media Clips, Wednesday, May 2



## **NEWS**

Officials find flaw with medical marijuana grower scoring (Associated Press, 5/2/2018)

Ohio governor to announce chronic pain prescriber standards (Associated Press, 5/2/2018)

Ohio's top court to hear arguments on promotions tax dispute (Associated Press, 5/2/2018)

Here are all 403 personalized license plates Ohio rejected in the past year (Cincinnati Enquirer, 5/2/2018)

Who's who in the 'toss-up' race for Congress (Cincinnati Enquirer, 5/2/2018)

As Richard Cordray campaigns for Ohio governor, the federal agency he headed is in trial in Cleveland (Cleveland Plain Dealer, 5/2/2018)

Conservative Buckeye Institute says bail reform in Ohio would save money (Cleveland Plain Dealer, 5/2/2018)

Dennis Kucinich says the bulk of his consulting fees came from anti-G.M.O. group (Cleveland Plain Dealer, 5/2/2018)

Kane launches second ad of GOP primary for Tiberi's old seat (Columbus Dispatch, 5/2/2018)

Kucinich: I got \$122,000 as consultant for sustainable food group (Columbus Dispatch, 5/2/2018)

Mike DeWine stresses conservative credentials in new TV ad (Columbus Dispatch, 5/2/2018)

Ohio asks feds for OK to impose Medicaid work requirements (Columbus Dispatch, 5/2/2018)

Trump accuser getting donations from across US for Ohio race (Columbus Dispatch, 5/2/2018)

Trump accuser getting donations from across US for Ohio race (Columbus Dispatch, 5/2/2018)

Ohio may ban free international travel for lawmakers (Dayton Daily News, 5/2/2018)

Report: Bail reforms could save Ohio taxpayers \$67 million a year (Dayton Daily News, 5/2/2018)

Sexual assault legal loophole prevents victim military transfers, lawmaker says (Dayton Daily News, 5/2/2018)

Algal blooms harder to control because of climate change, other factors, data shows (Toledo Blade, 5/2/2018)

Commissioners, state representative advocate for regulation of payday loans (Toledo Blade, 5/2/2018)

Groups explore extent of ECOT 'hush money' (Toledo Blade, 5/2/2018)

## **EDITORIALS**

Beacon Journal/Ohio.com editorial board: Being mean to the poor in public housing (Akron Beacon Journal, 5/2/2018)

Dimitri McDaniel in the Democratic primary for Ohio House 12: endorsement editorial (Cleveland Plain Dealer, 5/2/2018)

Rick Raley in the Democratic primary for Ohio House 14: endorsement editorial (Cleveland Plain Dealer, 5/2/2018)

Editorial: Clarify regulations to finally banish ECOT demons (Columbus Dispatch, 5/2/2018)

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From: Westlake, Libby

**Sent:** Wednesday, May 2, 2018 8:54 AM

To: Westlake, Libby

Subject: E-Clips for 5/2/2018

## **HOUSE E-CLIPS**

5/2/2018



## **OHIO'S TOP COURT TO HEAR ARGUMENTS ON PROMOTIONS TAX DISPUTE**

The Ohio Supreme Court has set a date for arguments in a dispute over promotions offered by the Cincinnati Reds to ticket buyers including bobbleheads and other items.

#### OHIO GOVERNOR TO ANNOUNCE CHRONIC PAIN PRESCRIBER STANDARDS

Ohio Gov. John Kasich is preparing to announce new standards to help people suffering from chronic pain get proper treatment from prescribers to avoid addiction.

## The Columbus Dispatch

Ohio's Greatest Online Newspaper

# KUCINICH SAYS HE GOT \$120K AS CONSULTANT FOR SUSTAINABLE FOOD GROUP

Democratic gubernatorial candidate Dennis Kucinich received \$122,000 in consulting fees in 2016 from a group that works for food sustainability and safety, his campaign said Tuesday.

#### Trump accuser getting donations from across US for Ohio race

The national exposure that has come with her accusations of sexual harassment against President Donald Trump has translated into an unprecedented number of individual campaign contributors for Rachel Crooks' Ohio House campaign.

#### MIKE DEWINE STRESSES CONSERVATIVE CREDENTIALS IN NEW TV AD

With a week until Election Day, the Republican gubernatorial campaign of Mike DeWine is airing a new TV commercial that it hopes underlines his conservative credentials — and support of President Donald Trump.

#### SPENDING FOR TV ADS COULD BE TROUBLE FOR ECOT IN UPCOMING AUDIT

The first report regarding ECOT's operations following allegations from an insider that the school used new tracking software to manipulate attendance data will come from the state auditor.

# **Dayton Daily News**

www.daytondallynews.com

## REPORT: BAIL REFORMS COULD SAVE OHIO TAXPAYERS \$67 MILLION A YEAR

A new report from the Buckeye Institute says Ohio could save \$67 million a year in jail costs by changing the bail system used by courts.

#### OHIO MAY BAN FREE INTERNATIONAL TRAVEL FOR LAWMAKERS

In the wake of Republican Cliff Rosenberger's abrupt resignation as Ohio House speaker, state Rep. Niraj Antani is proposing reforms to state ethics laws when it comes to gifts, meals and travel for legislators.

# MAY ELECTION: BIG MONEY SPENT IN MIAMI/DARKE COUNTY STATE HOUSE RACE

Nearly a quarter of a million dollars has been spent on the Republican primary in Ohio's 80th state House district making it one of the most expensive statehouse primary in the region.

## THE PLAIN DEALER

# As Richard Cordray campaigns for Ohio governor, the federal agency he headed is in trial in Cleveland

A trial that began in U.S. District Court in Cleveland on Tuesday pits the federal agency Ohio Democratic gubernatorial candidate Richard Cordray once led against a law firm the agency accuses of conducting deceptive debt collection practices.

## DENNIS KUCINICH SAYS THE BULK OF HIS CONSULTING FEES CAME FROM ANTI-G.M.O. GROUP

Former U.S. Rep. Dennis Kucinich's gubernatorial campaign released more details Tuesday about the roughly \$120,000 he received from consulting.

# RICK RALEY IN THE DEMOCRATIC PRIMARY FOR OHIO HOUSE 14: ENDORSEMENT EDITORIAL

State Rep. Martin J. Sweeney is moving on from his 14th Ohio House District to run for the Ohio Senate, leaving the House seat wide open for four Democrats eager to succeed him -- including his 25-year-old daughter, Bride Rose Sweeney.

## <u>DIMITRI McDaniel in the Democratic Primary for Ohio House 12:</u> ENDORSEMENT EDITORIAL

Several strong Democratic primary candidates are seeking to replace term-limited state Rep. John Barnes Jr. in the 12th Ohio House District, which reaches from a slice of southeast Cleveland to Bedford, Bedford Heights, Highland Hills, Maple Heights, Mayfield Heights, North Randall, Orange, Pepper Pike and Warrensville Heights.

# THE BLADE

## ASHFORD, FEDOR SQUARE OFF IN PRIMARY FOR OHIO SENATE SEAT

Imagine that: A hotly contested race without mudslinging.

From: The Buckeye Institute

Sent: Wednesday, May 9, 2018 10:05 AM

To: Best, Carolyn

Subject: The Buckeye Institute Again Calls on Policymakers to Close Tax

Loopholes



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

May 9, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

# The Buckeye Institute Again Calls on Policymakers to Close Tax Loopholes

Greg Lawson Submits Written Testimony to the Ohio Tax Expenditure Review Committee

Columbus, OH -- The Buckeye Institute's Greg R. Lawson submitted written testimony today (see full text below or download a PDF) to the Ohio Tax Expenditure Review Committee urging the committee to close tax loopholes, which would create a better economic environment to grow Ohio's economy.

Lawson opened his testimony highlighting the positive steps policymakers have taken in the past eight years, including lowering the state's personal income tax and slowly addressing its "flawed municipal income tax system." Lawson said these changes have improved Ohio's business climate, but said more can be done and that "Confronting the proliferation of tax expenditures, commonly called 'tax loopholes,' is the next logical step for meaningful reform."

Beyond simply closing loopholes, Lawson noted that The Buckeye Institute, along with **Policy Matters Ohio**, would urge policymakers to include an automatic sunset for tax expenditures saying, "Such a sunset provision would...ensure that loopholes are regularly reviewed and eliminated when they no longer serve a public good."

By closing tax loopholes, which will cost Ohio more than \$18 billion in revenue in 2018-2019, Lawson noted that policymakers would make Ohio tax code less complex, more transparent, and more equitable -- all hallmarks of sound tax policy.

Lawson went on to point out that Buckeye has already identified \$1.8 billion in tax loopholes that should be closed and ended saying, "Closing unnecessary tax loopholes will save the state revenue, level the tax burden for businesses and families, and allow for further reductions in the state's still-too-high income taxes. By doing so, policymakers will strengthen Ohio's economic environment and job creation climate that will provide even greater prosperity."

The Buckeye Institute first called for the creation of the review committee in 2011, when, along with the Center for Community Solutions and the Greater Ohio Policy Center, it identified **20 loopholes** that should have been closed.

#### ###

# Interested Party Written Testimony Submitted to the Ohio Tax Expenditure Review Committee

## Greg R. Lawson, Research Fellow The Buckeye Institute May 9, 2018

Chairman Oelslager and members of the Tax Expenditure Review Committee, thank you for the opportunity to submit written testimony today.

My name is Greg R. Lawson. I am the research fellow at **The Buckeye Institute**, an independent research and educational institution -- a think tank -- whose mission is to advance free-market public policy in the states.

The Kasich Administration and the General Assembly have made progress improving Ohio's tax system. The state's personal income tax has been lowered to less than five percent, Ohio relies more on the consumption tax, which is less economically distorting, and the state has begun to slowly address its flawed municipal income tax system. These changes have improved Ohio's business climate, but more can and should be done to make Ohio more attractive to citizens and new businesses.

Confronting the proliferation of tax expenditures, commonly called "tax loopholes," is the next logical step for meaningful reform. Eliminating unneeded tax expenditures will further

reduce Ohio's personal income tax, which will create a better economic environment for job creators of all shapes and sizes to grow Ohio's economy. For years, The Buckeye Institute has called for a more thorough review of tax expenditures, and we do so again today.[1]

In 2011, we joined with the Greater Ohio Policy Center and the Center for Community Solutions, two think tanks with policy views quite different than our own, to call for something similar to this very Committee to be created in order to examine the true economic effects of tax loopholes.[2] Today, we agree with our friends at Policy Matters Ohio who have called for an automatic sunset of tax expenditures in the absence of their explicit reauthorization by the General Assembly. Such a sunset provision would heighten the urgency of this review process and ensure that loopholes are regularly reviewed and eliminated when they no longer serve a public good.[3]

New tax expenditures have been inserted into the tax code at the state and federal levels for decades. Many with good reason. For example, sales tax exemptions have helped Ohio avoid a crippling tax system that inflates prices and costs to consumers by taxing subcomponents of products during production, and Ohio is wise to use exemptions that prevent such harmful taxes. But not all tax exemptions have such a net positive effect. Loopholes make the tax system more complex, less transparent, and less equitable -- all hallmarks of an unsound tax policy.[4] By contrast, lower, fairer income taxes and consumption taxes will improve Ohio's tax climate without creating unfair economic advantages for some at the expense of others.

Tax expenditures cost the state tax revenue that must then be made up by other taxes and taxpayers. When, for instance, the General Assembly gives annual \$1.6 million tax exemptions for flight simulators, the rest of us without flight simulators must off-set that lost revenue through other taxes. Similar exemptions that require off-setting taxes and tax hikes now permeate the state's tax code, and their associated costs add up. According to the latest Tax Expenditure Report from the Department of Taxation, Ohio is estimated to lose more than \$18 billion in revenue during the Fiscal Years 2018-2019 biennial budget period.[5]

To help address the loophole and lost revenue problem, The Buckeye Institute recently suggested closing a number of tax loopholes that cost Ohio more than \$1.8 billion.[6] Our suggestions include:

- The notorious NetJets loophole for those who buy shares of corporate jets;
- The motion picture tax credit, already eliminated in other states, including Michigan; [7]

- Credits for political campaign contributions; and
- The job retention and creation tax credits that favor some businesses over others.

State policymakers have significantly improved Ohio's tax system over the past decade and a half, but more work remains to be done. Fifteen years ago, Ohio had an uncompetitive tangible personal property tax and a highly progressive personal income tax with an onerous top rate of more than seven percent.[8] As this Committee knows, that top income tax rate is actually higher due to Ohio's burdensome municipal income tax system and, in many cases, local school district income taxes. Since then, tax reform efforts have helped relieve some of the burden, but today Ohioans pay a total tax bill that remains much higher than it should.[9]

Ohio's average combined state *and* local tax rate is still more than seven percent according to the non-partisan Tax Foundation.[10] In some places it can climb even higher, with the combined state and local tax rate reaching nearly 10 percent[11] -- a level one might expect in high-tax states like New York.[12] Such high rates have real world consequences for workers, businesses, and states. As the Tax Foundation has demonstrated, people and jobs do in fact migrate from high-tax states to low-tax states -- and that migration will inevitably cost Ohio workers, businesses, and future economic opportunities.[13]

As state policymakers continue to tackle tax reform and strive to improve Ohio's recovering economy, the work of this Committee is critical. Closing unnecessary tax loopholes will save the state revenue, level the tax burden for businesses and families, and allow for further reductions in the state's still-too-high income taxes. By doing so, policymakers will strengthen Ohio's economic environment and job creation climate that will provide even greater prosperity.

<sup>[1]</sup> Tax Loopholes Ohio Should Close, The Buckeye Institute (Last visited May 2, 2018).

<sup>[2]</sup> The Plain Dealer Editorial Board, When 3 Think Tanks With Quite Different Outlooks Agree on a List of Tax Loopholes to Close, Ohio's Leaders Should Listen, The Plain Dealer, May 21, 2011.

<sup>[3]</sup> Zach Schiller and Wendy Patton, Testimony to Tax Expenditure Review Committee, Policy Matters Ohio, April 25, 2018.

<sup>[4]</sup> Rea S. Hederman Jr., Tom Lampman, Greg R. Lawson, and Joe Nichols, *Tax Reform Principles for Ohio*, February 2, 2015.

<sup>[5]</sup> Ohio Department of Taxation, Tax Expenditure Report: The State of Ohio Executive Budget- Fiscal Years 2018-2019, November 25, 2016.

<sup>[6]</sup> Tax Loopholes Ohio Should Close, The Buckeye Institute (Last visited May 2, 2018).

<sup>[7]</sup> Paul Egan, Snyder Signs Bill Ending Incentives for Film Industry, Detroit Free Press, July 10, 2015.

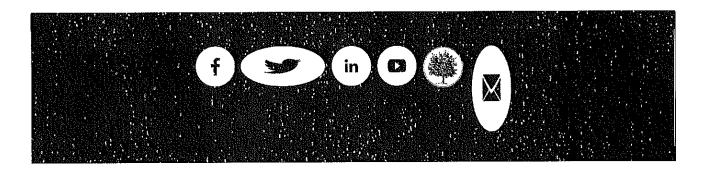
<sup>[8]</sup> Ohio Individual Income Tax Rates: 2005-2017, Ohio Department of Taxation (Last visited May 1, 2018).

- [9] Student Tax Education Program Tax History, Ohio Department of Taxation (Last visited May 1, 2018).
- [10] Jared Walczak and Scott Drenkard, State and Local Tax Rates 2018, The Tax Foundation, February 13, 2018.
- [11] Morgan Scarboro, Scott Drenkard, and Rea S. Hederman Jr., *Ohio Illustrated: A Visual Guide to Taxes and the Economy*, The Tax Foundation and The Buckeye Institute, June 2017.
- [13] State to State Migration Data, The Tax Foundation (Last visited May 3, 2018).

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Founded in 1989, The Buckeye Institute is an independent research and educational institution - a think tank - whose mission is to advance free-market public policy in the states.

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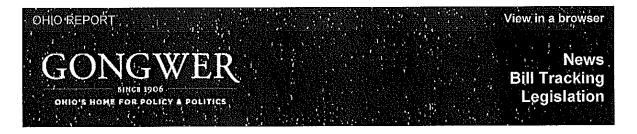
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## OHIO REPORT THURSDAY, MAY 10

State Auditor: ECOT Officials May Have Engaged In Criminal Activity

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Democrats Seek To Anchor Republican Candidates To Online School Faulted In Audit

Medicaid Officials Detail Safeguards For Managed Care Expansion

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State Offers Guidance On Mental Health, Firearms; Chronic Pain Rule Available For Comment...

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**Governor's Appointments** 

# Gongwer Statehouse Job Market Updated Supplemental Agency Calendar

## **CALENDARS**

**Day Planner** 

**Legislative Committee Schedules** 

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# Volume #87, Report #91 -- Thursday, May 10, 2018 State Auditor: ECOT Officials May Have Engaged In Criminal Activity

State Auditor Dave Yost on Thursday referred his office's audit of the Electronic Classroom of Tomorrow for potential prosecution before blasting the Department of Education's oversight of the now-shuttered e-school and calling for stricter state laws on such entities.

The auditor's report determined that ECOT failed to provide documents proving students were using their computers for educational purposes for the hours it requested payment for during the 2016-17 school year. The audit found that although the school used tracking software known as ActivTrak to record what websites and programs students were using and how long they were using them, it did not provide all of that data to ODE.

Mr. Yost also issued findings for recovery on nearly \$250,000 that ECOT-related entities spent on political advertising as the General Assembly was considering new measures to regulate charters and ODE was looking to claw back payments made to the online school.

The audit's release kicked off another round of criticism from Democrats who accused Republican leaders of failing to oversee ECOT and prompted several Republican statewide candidates to donate money their campaigns had previously received from school leaders (See separate story).

Mr. Yost called information garnered from ActivTrak "the smoking gun" in his office's investigation into ECOT, which ended with him referring the findings to the Franklin County Prosecutor's Office and U.S. Attorney's Office.

"For the first time, we can prove that ECOT submitted information to ODE in order to get paid that it knew to be false when it was submitted," Mr. Yost said.

After ODE requested information on student participation at the e-school, Mr. Yost said ECOT provided "meaningless and unreliable information ...that ODE inexplicably accepted." He said department officials should have pushed for more information from the school.

"I would not have accepted the watered-down, blanked-out spreadsheets that were submitted to ODE," he said.

In a statement, Mr. Yost went further to challenge the department's handling of the eschool.

"With the level of incompetence displayed by both the school and ODE, the regulator, it's amazing that any money went to education whatsoever," he said.

ODE spokeswoman Brittany Halpin in a statement pushed back against the auditor's claim that the department mishandled its oversight of ECOT.

"No one has held ECOT more accountable for the education of students than the Department of Education, and our work to return approximately \$80 million to Ohio's taxpayers continues," she said.

Ms. Halpin said department officials "repeatedly questioned and subsequently rejected portions of ECOT's data."

ECOT closed in January after the State Board of Education voted the previous summer to claw back \$60 million from the school after an audit found it over-reported its full-time enrollment for the 2015-16 school year. The panel earlier this year tacked on another \$19 million to the school's debt, claiming it again overstated enrollment for 2016-17. (See Gongwer Ohio Report, February 12, 2018)

The e-school has filed two appeals with the Ohio Supreme Court, claiming ODE and the State Board of Education acted improperly in the lead-up to its closure. (See Gongwer Ohio Report, April 16, 2018)

Along with a referral for possible prosecution, the auditor's office issued a finding for recovery of \$249,962. The amount reflects an invoice submitted to ECOT in 2017 for a political ad buy that eventually was paid by Third Wave Communications, according to the auditor's report.

Mr. Yost said Third Wave Communications shares common ownership with other ECOT-linked businesses, leading auditor's investigators to conclude it paid the invoice in order to disguise ECOT's role in purchasing the advertising, which targeted the ODE and state lawmakers.

Karl Schneider, an attorney representing Third Wave Communications, said in a statement the finding for recovery was "meritless" and the result of a political frenzy around ECOT. He said Third Wave plans to challenge the finding.

"Mile-wide, inch-deep investigations have a tendency to lead to unsubstantiated conclusions that generally fail when tested with evidence in the court system, which is the case here," he said.

The auditor said ECOT officials also declined in April to sign a routine letter stating they provided all information necessary for the completion of the audit and that they had informed auditor's investigators of any possible fraud or illegal actions.

Auditor Yost said he anticipates his office will offer legislative recommendations based on the audit of ECOT, which likely will focus on preventing conflicts of interest and

promoting transparency among e-schools and the companies that manage them. He said the legislature also should look into whether funding such schools based on the time their students spent in class makes sense.

"Online learning needs to go to a learning-based, or achievement-based funding mechanism," he said.

Senate President Larry Obhof (R-Medina) said Thursday afternoon he is proud of legislation passed in 2015 (HB 2a) that overhauled the state's accountability system for charter schools, which he said is working. He said he had not read the auditor's report, but would be open to recommendations from Mr. Yost.

"I'd be happy to sit down with him and talk about that," Mr. Obhof said.

A message seeking comment from ECOT's attorney was not returned prior to deadline.

# Democrats Seek To Anchor Republican Candidates To Online School Faulted In Audit

On the day Auditor Dave Yost announced he was referring his audit of the Electronic Classroom of Tomorrow's finances to prosecutors, Democrats made hay out of Republicans' ties to the defunct e-school.

Former federal prosecutor Steve Dettelbach, Mr. Yost's Democratic opponent for the office of attorney general, in a series of tweets Thursday again called on Yost to recuse himself from ECOT-related matters and questioned the timeline that led up to the referral.

"Dave Yost's excuses for why he couldn't refer the case are a flat out joke. I was a federal prosecutor for 20 years. Fraud cases don't get better with age," Mr. Dettelbach wrote.

At a press conference for the release of the report, Auditor Yost defended the timing of the referral.

"The criminal referrals always happen at the conclusion or near the conclusion of our work," he said.

David Pepper, chairman of the Ohio Democratic Party, said in a statement the auditor's report jibes with Democrats' previous criticisms of charter schools.

"Finally, after years of pretending otherwise, even the Republican auditor of this state is at long last admitting that one of the central policy directions pursued by Republicans in Ohio for nearly two decades turns out to be a fraudulent scam," he said.

Pepper also accused Yost of taking contributions from ECOT, then "(handing) out awards to ECOT like candy and (ignoring) whistleblowers who came to his office."

Mr. Yost said auditor of state awards are "given under objective criteria," adding ECOT received its awards before the Department of Education imposed standards requiring eschools to provide data on how long their students spent in class.

"The auditor of state's award has nothing to do with how well you're run," he said. "It has specifically and only to do with whether you meet these criteria, and if you meet them, you automatically get the award."

The auditor also denied accusations his office ignored the claims of a whistleblower who went to ODE and the auditor's office last year alleging the school ordered employees to manipulate enrollment data. Mr. Yost said auditor's officials spoke with him twice and reviewed documents he provided to investigators.

"(The whistleblower's) knowledge was insufficient to base a criminal referral (on) at that time," Mr. Yost said, adding that the auditor's office was "already aware of virtually everything that he said" and working on an audit program to review the school.

The Yost campaign also announced it is donating \$29,395 to charity to offset contributions made by people with ties to ECOT to Mr. Yost's state auditor campaign and transition committee in response to the referral for prosecution.

Allison Dumski, spokeswoman for the campaign of Republican auditor candidate Rep. Keith Faber (R-Celina), said in a statement the campaign is donating \$36,513 to "high quality charter schools" to offset donations from ECOT founder Bill Lager to Faber's prior campaigns.

"As made evident by Auditor Yost's report today, ECOT abused the state's public trust, deceived parents, and most importantly, hurt the thousands of students who sought a quality education," Rep. Faber said in a statement. "Thanks to the strong charter school reforms put in place while I was Senate president and the diligent work of Auditor Yost and his staff. ECOT was caught and is out of business."

Mr. Faber's democratic opponent in the auditor's race, former Congressman Zack Space, called for politicians who took contributions from ECOT or related individuals to give them back in a Thursday-morning tweet.

"Finally, a long overdue referral for prosecution, after YEARS of scamming our tax dollars. Many questions remain, but the biggest: what role did political contributions have in creating or perpetuating this scam? Pols who took ECOT \$ should return it," he wrote.

Sen. Joe Schiavoni (D-Boardman) in a statement said the auditor's announcement was a case of "better late than never."

"However, I am concerned that the auditor avoided acknowledging his own failures to hold ECOT accountable in the past," he said. "The auditor is well aware that the Ohio Department of Education had the power to ask for detailed student attendance data before 2014. That means the data should have existed and Auditor Yost could have asked for it."

Sen. Vernon Sykes (D-Akron) in a statement called for a bipartisan reform effort in regards to e-schools. He said the legislature could start by considering a measure (SB 39a) introduced by Sen. Schiavoni in February.

"It is within the legislature's mandate to create a more efficient and effective education system so that Ohio's children have the opportunity to thrive," he said. "Members of the General Assembly have a moral obligation to work together toward bipartisan e-school reform."

Rep. Teresa Fedor (D-Toledo) and Rep. Tavia Galonski (D-Akron) sent a letter to Mr. DeWine requesting the appointment of a special prosecutor to investigate the e-school.

"Taxpayers, students and their families deserve to know the truth about the extent of ECOT officials' criminal activity to defraud the state out of tens of millions of dollars," the letter stated.

Democratic gubernatorial candidate Rich Cordray used the release of the audit as an opportunity to tie his Republican opponent, Attorney General Mike DeWine, to the eschool.

"This is just the latest attempt by Republicans in the Statehouse to whitewash their ECOT scandal," Mr. Cordray said in a statement. "They willfully looked the other way as a billion of our taxpayer dollars went to a politically-connected for-profit charter school instead of to educating Ohio students. In exchange for enabling their scam, Mike DeWine and Jon Husted raked in tens of thousands of dollars in campaign contributions, while our state, taxpayers and children were being defrauded and mistreated."

Joshua Eck, a spokesman for the DeWine/Husted campaign, said in a statement the auditor's report actually shows Republicans are providing oversight of charter schools.

"Mike DeWine and Jon Husted believe that every dollar we invest in education needs only one priority: Helping our kids get off to a great start in life," he said. "Anyone who tries to manipulate that system should be held to account. It's a shame Richard Cordray doesn't understand how Republicans are already imposing that accountability."

#### Medicaid Officials Detail Safeguards For Managed Care Expansion

Managed care plans and the Ohio Department of Medicaid said Thursday they're ready for the scheduled July 1 carve-in of behavioral health services, although the agency said it has contingency plans in place to alleviate potential problems.

One point of concern for the Joint Medicaid Oversight Committee was one plan's recent struggles meeting the state's prompt pay standards, problems that plans said were not tied to behavioral health.

The move to managed care is the second step in the behavioral health redesign process, and administration officials also argued before JMOC that the first stage - new billing codes - is starting to turn the corner. (See separate story)

Although Medicaid officials said they're confident the state's managed care plans will be ready to take on behavioral health services come July, they also detailed a series of safeguards designed to mitigate any issues. (ODM Presentation)

Those protections include a six-month period after the carve-in during which Medicaid members can use any provider for services regardless of who their managed care plan is, said Patrick Stephan, ODM's director of managed care. The period was initially three months but was extended to six months to include an open enrollment period in which members can change managed care plans if they choose.

"Any provider providing services to somebody in the new system will be paid by the managed care plans, no questions asked," Mr. Stephan said.

After that period, providers and plans will still be able to work out single-case agreements if the provider isn't in a plan's network, he said.

Another safeguard is that plans will have to follow the Medicaid program's fee-for-service coverage policies and payment rates through June 30, 2019.

ODM will also develop a post-implementation task force including managed care plans, providers and groups representing providers to identify issues and address them, Mr. Stephan said.

The department will also offer a contingency plan for providers who face problems with billing, similar to a contingency plan offered during the first stage of the redesign, he said. Plans would make a monthly payment for July, August, September and October for providers serving their members equal to 54.6% of the provider's average monthly Medicaid reimbursement in 2016.

Representatives of the five managed care plans told the committee they were each prepared to handle the change in services.

"Improvements for behavioral health in Medicaid will occur July 1 due to managed care carve-in," said Buckeye Health Plan President and CEO Bruce Hill. "Buckeye and the other Medicaid plans have been working closely with our providers for months to ensure a smooth transition."

One managed care organization that JMOC members questioned extensively was CareSource, which is working with ODM to resolve failures to meet the program's prompt pay standards in the second half of 2017.

JMOC Chairman Sen. Dave Burke (R-Marysville) asked CareSource to provide its plan of action for resolving prompt pay issues to the committee in the next week.

CareSource Ohio President Steve Ringel said the company would comply and had experienced no problems with prompt pay in behavioral health. He told Rep. Nickie Antonio (D-Lakewood) that the problems stemmed from having insufficient staff, and that they largely occurred in primary care. The plan has offered cash advances where there are significant issues with specific providers, he said.

Rep. Antonio asked ODM officials about the remediation process for prompt pay failures.

When the department identifies problems with a plan, it works with them to identify issues and develop a solution to bring them back into compliance, Mr. Stephan said.

Rep. Mark Romanchuk (R-Mansfield) questioned why it has taken several months for ODM to act on CareSource's issues.

"To me, eight months is a long time, so I would encourage the department to potentially move these triggers up, so we're not six, seven, eight months down the road when we're finally acting in a manner that facilitates change," he said.

Mr. Stephan said both the plan and ODM have taken the issue seriously and are working on solutions. He also said they have considered changing the requirements, which currently mandate plans pay 90% of claims within 30 days and 99% within 90 days.

"Through the balance of this process, it is a topic that we are looking into," he said.

# Administration Points To Improvements In Behavioral Health Redesign Payments

State Medicaid officials argued Thursday that the first step in the behavioral health redesign process, a move to new billing codes, is beginning to stabilize after some initial uncertainty.

The administration used data covering the first three months of the year to tell members of the Joint Medicaid Oversight Committee that billing problems are being resolved and that the new system is, in many cases, paying providers more quickly and efficiently than before.

The comments come in response to a survey released last month by the Ohio Council of Behavioral Health & Family Service Providers that found many members were receiving

significantly less in overall payments from Medicaid. (See Gongwer Ohio Report, April 19, 2018)

Greg Moody, director of the Governor's Office of Health Transformation, said that survey, which covered 80% of the council's members, represents about a quarter of providers affected by the behavioral health redesign. (ODM Presentation)

While payments for claims in February were down 20% compared to the previous February, those numbers in January and March were close to the same, with total payments in the first quarter of 2018 down about 7% compared to the same period in 2017, Director Moody said.

When looking at denial rates of claims, Mr. Moody said the 18% denial rate in March was down compared to 28% seen in January, showing providers are working out problems with the new system.

That rate, above the typical denial rate of about 11%, also is inflated because the new coding system is disqualifying claims that previously might otherwise have been paid by Medicaid, including claims that should be paid by other payers, he said. When those claims are eliminated, the denial rate drops to 11% in March and 15% for the first quarter overall, he said.

Many of the denials - about 41% - are coming from 26 providers, which account for 6% of the total number, he said. When they are removed, the denial rate for March drops to 5%. Mr. Moody also pointed out that hospitals, which have more experience with the code sets and the system, experienced a denial rate of 1% for the quarter.

"Many of the early concerns with redesign are being addressed as we look at actual system performance," he said.

Sen. Bill Coley (R-Liberty Twp.) cited a drop in total behavioral health spending in April, which was not included in Mr. Moody's presentation.

April's spending is affected by a one-week payment delay for the month for all providers in the Medicaid program to keep the program's budget balanced, Mr. Moody said.

"A significant portion of the reduction in April is unrelated to redesign, it's related to a one-week delay in payment," he said.

The council's survey was conducted "at the point of maximum consternation" with the new process, Mr. Moody said.

"Everything in the council survey are things that we flagged to monitor and track because they could be signals of something going wrong," he said.

Sen. Coley said the fact that overall spending in behavioral health remains below last vear's total continues to raise red flags.

"From a budgeting standpoint, their concerns are not as overblown as we thought," he said.

Rep. Emilia Sykes (D-Akron) asked how much providers are being told about why a certain claim was denied.

"What does that look like moving forward so these folks can actually get what they need and we can actually find out whether this is why they're losing that funding?" she asked.

Medicaid Director Barbara Sears said providers are given codes explaining why a claim was denied, and that with larger denials, the department will reach out to providers to explain.

"I can't have my folks explaining how to bill Medicare or a third party, but what I can tell you is that now that we have moved to a national code set, it's easier for them to bill those services," she said.

The administration's comments didn't quell the Ohio Council's concerns about the plan to move ahead with the next step of the behavioral health redesign. CEO Lori Criss also pointed to prompt payment issues with one managed care plans as raising questions about the planned July 1 managed care carve-in. (See separate story)

"Today's discussion at JMOC reinforced that the state, managed care plans, and providers are not yet showing full signs of readiness for a July 1 move to managed care, especially with fewer than 8% of providers shown as being in a position to serve the same capacity that they served last year at this time," she said in an email.

"It's stunning to think that the administration can declare readiness when at the same time revealing that the Ohio Department of Medicaid has known for months but not shared that CareSource, which covers over 50% of Ohioans on Medicaid Managed Care, has violated their timely payment requirements."

Prompted by the council's survey, one Democratic lawmaker also announced Thursday that he would ask ODM to delay the planned carve-in by six months.

"Logistical issues during the rollout of the redesign plan have wreaked havoc on our healthcare providers, threatening care and forcing many to eliminate staff and essential services," Rep. Thomas West (D-Canton) said in a statement. "This is especially troublesome at a time when we continue to battle our worst-in-the-nation opioid crisis. Extending Phase I by six months will allow us to iron out the issues and refocus our efforts on what truly matters-delivering quality, affordable healthcare to Ohio families."

## Retirement Study Council Approves 2019 Budget

The Ohio Retirement Study Council will see a slight spending increase under a budget approved by members Thursday.

The panel signed off on the \$781,800 budget request with little discussion after council Director Bethany Rhodes walked members through an overview. The annual increase is just above 1%, or \$8,450. The council receives no legislative appropriations and is funded through the plans' investment earnings.

The School Employees Retirement and the State Teachers Retirement systems also presented current drafts of their own budget proposals. Rising insurance costs, additional staff training expenses and increasing bank fees appear to be the common themes. (Committee Documents)

Rep. Rick Carfagna (R-Westerville) applauded the ORSC's budget for zeroing out a line item previously put aside for communication products like phones and internet.

Ms. Rhodes explained that because the council relocated to a state office building, it no longer needs to rely on a private vendor for those services. She said, however, that the line item would remain in the budget in case the council should relocate at some point in the future.

Ms. Rhodes said she was also successful in following through on members' prior instructions to attempt to extend the contract of the council's two actuaries - PTA/KMS and RVK - which were to expire in August. She said both agreed to extend the contracts another five years at the current rate.

Other systems: Representatives of the School Employees Retirement System and State Teachers Retirement System shared their own budget projections with the council, although SERS CFO Tracy Valentino said that system's proposal is still a work in progress and will likely be lower when it returns for council consideration.

SERS' proposed operating budget increased 4.3% over the current year, partly attributable to a 4.7% increase in personnel costs and a 5.5% increase in health insurance. All told, the total budget clocks in at just more than \$34 million - up from \$32.9 million the year prior.

Member Thomas Pascarella questioned Ms. Valentino on the increase in banking fees the system has seen. She replied that as the assets grow, so too do the custodial and related fees.

STRS CFO Paul Snyder said the system is eyeing a 2.2% increase - up from \$99.9 million to \$102 million - for its 2019 budget. He said the system has trimmed six full-time equivalent positions thanks to online efficiencies and teacher retirements - a fact Sen. Steve Wilson (R-Maineville) praised.

**Recommendations:** Senior Research Associate Jeff Bernard outlined staff's recommendation to remove a provision in the Ohio Revised Code requiring Highway Patrol Retirement System to conduct an annual adequacy contribution rate report.

Those reports, Mr. Bernard suggested, are duplicative and costly. The council, he noted, would still have the ability to request such a report if the change were adopted. System Executive Director Mark Atkeson said he supports the proposal.

Rep. Kirk Schuring (R-Canton) said the issue will be discussed at the group's next meeting along with whether similar requirements for other systems should likewise be eliminated.

The council also voted to recommend lawmakers modify maximum statutory penalties for systems failing to transmit either employee or employer contributions.

# State Offers Guidance On Mental Health, Firearms; Chronic Pain Rule Available For Comment...

The Department of Mental Health & Addiction Services issued guidance this week to help mental health practitioners with questions surrounding mental illness and firearms.

The memo comes as the debate over firearms and particularly mass shootings continues at the state and federal level.

ODMHAS Medical Director Dr. Mark Hurst wrote to providers that the discussion demonstrates the important role they play in the conversation and in the prevention of violence.

Statistics show a relatively small number of violent acts directed toward others are committed by people with mental illness, and that people with mental illness are much more likely to use firearms to take their own lives, he wrote.

"When individuals with certain mental illnesses are actively experiencing symptoms, they may be impulsive, misperceive reality and have impaired judgment. If firearms are available, the risk to themselves and others increases markedly," he wrote.

"Health care providers have no duty more important than to maintain the wellness and safety of patients, families and the communities where they reside. This duty is accomplished by providing effective treatment for psychiatric disorders and substance use problems, as well as remembering our duty to address the risk that exists from access to firearms for those under mental health treatment."

Dr. Hurst recommended patients and their families be advised of the risks posed by firearm access, and the importance of mitigating them. He also stressed the importance of ensuring relevant documents are submitted to the Bureau of Criminal Investigation in the case of an involuntary commitment.

"While our clinical interventions alone will not eliminate all firearm-related injuries and deaths, they most certainly eliminate some of them," he wrote. "Even one life saved is worth it."

Chronic Pain Rules: The Ohio State Dental Board posted draft rules of proposed new regulations on the prescribing of opioid medications for chronic and subacute pain.

The proposed rules were announced last week by Gov. John Kasich and medical professional boards. They create a framework of checkpoints for prescribers when authorizing progressively stronger doses of opioid pain relievers. (See Gongwer Ohio Report, May 2, 2018)

Comments on the rules can be sent to the dental board via email with the rule number in the subject line, and with the Common Sense Initiative copied on the email. Comments will be accepted through Friday, May 18.

The board also expects to hold a public hearing on the rule in July.

**Medicaid Waivers:** A report by Policy Matters Ohio questioned research cited by federal health care regulators in supporting Medicaid waivers imposing work requirements on certain members.

PMO claimed the Centers for Medicare and Medicaid Services misstated or misinterpreted the findings of various academic studies in justifying a move toward additional work requirements for Medicaid members.

"Medicaid's mission is to improve the health of Americans struggling to make ends meet," Wendy Patton, PMO senior project director, said in a statement. "Good health is a precondition for work, not a reward for it. Nothing in academic literature justifies CMS's plan. In fact, in many cases, the research shows why this policy is flawed."

# Agency Briefs: AG Approves Petition For Legalized Pot Issue; Arts Council Gets Nearly \$1 Million NEA Grant; Auditor; ODA; DAS

A resubmitted petition summary for a ballot issue to legalize marijuana in Ohio was approved Thursday by Attorney General Mike DeWine.

Backers of the proposed constitutional amendment, titled "Marijuana Rights and Regulations," will be cleared to begin collecting signatures after the Ohio Ballot Board determines whether the language requires a single or multiple issues.

Mr. DeWine's office determined that, unlike the committee's first attempt, the new petition summary represented "a fair and truthful statement of the proposed law."

Under the proposed amendment, which also prescribes how governments can restrict the use of marijuana in ways similar to alcohol-related laws, a new Ohio Constitution section would "endow the Rights of persons in Ohio age 21 and older to possess, cultivate, process, use, transport, sell, purchase and share marijuana in Ohio...."

Ohio Arts Council: For the ninth consecutive year, OAC is celebrating the award of the second-largest partnership agreement grant from the National Endowment for the Arts.

The \$995,800 received to help support arts initiatives throughout the state tops the amount granted to larger states such as Texas, Florida, New York, Illinois and Pennsylvania, OAC reported. (Details)

"Ohio has a long tradition of securing nearly \$1 million annually through the State and Regional Partnership Agreement program from the National Endowment for the Arts. We are proud to receive the largest award in the Midwest and the second largest award in the nation, OAC Executive Director Donna S. Collins said in a statement.

"Every dollar we earn from the NEA is invested in the arts statewide through our grantees. The federal investment in the arts in Ohio is important, not just the Ohio Arts Council grant award, but the 16 grants given this cycle in a variety of categories to arts organizations across Ohio."

**State Auditor:** Dave Yost has placed the Village of Bridgeport in Belmont County on the state's "unauditable" list due to a lack of documentation.

"During the course of the regular financial audit of the Village of Bridgeport for the period Jan. 1, 2016, through Dec. 31, 2017, the Auditor of State's office determined that the condition of the village's financial records was not adequate to complete the audit," his office reported. In a letter to the village, the Auditor's office provided a list of information required to complete the audit.

"Complete financial records shine a light on local governments," Auditor Yost said in a release. "Taxpayers should not be left in the dark on how their dollars are being spent."

The village has 90 days to respond to the letter by revising its financial records and providing the required data. Failure to do so could result in legal action.

In a separate release, Mr. Yost announced that Nicholas Szabo, the former city auditor of London in Madison County, pleaded guilty to theft in office "for his failure to reimburse the city for his health insurance costs and for an unauthorized pay increase for a fellow employee."

Mr. Szabo resigned in December. The auditor said he will be sentenced on the fourth-degree felony violation on June 7.

Mr. Yost also announced this week that a special audit of Mt. Sterling was recognized by the National State Auditors Association with an Excellence in Accountability Award.

"The award recognizes the office's work in uncovering extensive corruption and almost \$1 million in illegal spending at the small Madison County village," his office reported. "The special audit was instrumental in securing the convictions of four administrators

and employees, including former Mayor Charles Neff and former Village Administrator Joseph Johnson."

"The exemplary professionals of my office continually get results - and justice - for Ohio's taxpayers," Auditor Yost said. "This recognition from their peers is evidence of the first-rate work rooted in every audit and investigation they perform."

**Department of Agriculture:** The agency reported Thursday that an invasive species of hemlock-killing insects had been discovered in Adams County.

The hemlock woolly adelgid, an aphid-like Asian insect first reported in the U.S. in 1951, has devastated the trees in areas along the Appalachian Mountains and has been detected in 20 states.

The infestation in Adams County was discovered through the survey work being conducted by the ODNR Division of Forestry in Shawnee State Forest. The bugs were first detected in a forested setting in Ohio in Meigs County in 2012, the agency reported.

"At this time, ODA will move to expand its hemlock quarantine, enforced by ODA's Plant Health division, to include Adams County," ODA reported. "Ohio quarantine regulations restrict the movement of hemlock materials from areas known to be infested with HWA into non-infested Ohio counties. Ohio's quarantine law also requires hemlock materials to be inspected and officially certified before being shipped, verifying that the plant material is free of HWA when entering Ohio."

The agency separately announced that aerial treatments designed to control the gypsy moth population would begin soon in 54 acres in Franklin County. The treatments are administered using a low-flying aircraft and will likely take place during early morning hours, ODA said.

The department said it will use Foray (Btk), a naturally occurring bacterium found in the soil that interferes with the caterpillars' feeding cycles, adding that the substance is not toxic to humans, pets, birds or fish.

Administrative Services: The state will hold next miscellaneous surplus property auction on Saturday at the DAS General Services Division headquarters, 4200 Surface Rd. in Columbus.

Scaffolding and a Delta RS-15 shaper are among the unique items being sold at the auction, which also features. "a wide variety of computer equipment (e.g., laptops, monitors and printers) and electronic appliances (e.g., copiers, digital cameras, DVD players, audio and video equipment and mobile radios).

Doors open at 8 a.m. and the auction begins at 9 a.m. More details are available on the DAS website.

Governor's Appointments

**State Dental Board:** Andrew W. Zucker, DDS of Sandusky for a term beginning May 10, 2018, and ending April 6, 2022 and Canise Y. Bean, DMD, MPH of Columbus and Faisal A. Quereshy, MD, DDS of Richfield for terms beginning May 10, 2018, and ending April 6, 2022.

University of Akron Board of Trustees: Cindy P. Crotty of Cleveland Heights has been appointed to the for a term beginning May 10, 2018, and ending July 1, 2026.

#### Gongwer Statehouse Job Market Updated

Gongwer's Statehouse Job Market has been updated. The update is available on the Gongwer website.

Subscribers interested in posting job openings on Gongwer's employment board can send job descriptions and other information to gongwer@gongwer-oh.com.

### Supplemental Agency Calendar

Monday, May 14

State Board of Education, 25 S. Front St., Columbus, 8:30 a.m.

Tuesday, May 15

State Board of Education, 25 S. Front St., Columbus, 8:30 a.m.

Wednesday, May 16

Public Utilities Commission of Ohio, 180 E. Broad St., 11th Fl., Columbus, 1:30 p.m.

Thursday, May 17

Aerospace & Aviation Technology Committee, Rm. 017, Statehouse, Columbus, 1:30 p.m.

17 S. High St., Suite 630

Columbus Ohio 43215

Phone: 614-221-1992 | Fax: 614-221-7844 | Email: gongwer@gongwer-oh.com

Scott Miller, President | Kent Cahlander, Editor | Mike Livingston, Dustin Ensinger, Jon Reed, Tom Gallick, Staff Writers

Click the Mafter a bill number to create a saved search and email alert for that bill.

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# Daily Activity Planner for Friday, May 11 Legislative Committees

No legislative committees scheduled.

### Agency Calendar

Small Government Capital Improvements Commission, OWDA offices, 480 S. High St., Columbus, 10:30 a.m.

### Event Planner

YMCA Youth & Government Model United Nations, Statehouse, Columbus

17 S. High St., Suite 630 Columbus Ohio 43215

Phone: 614-221-1992 | Fax: 614-221-7844 | Email: gongwer@gongwer-oh.com

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### Legislative Committee Schedules beginning 5/11/2018

#### Monday, May 14

Joint Committee on Agency Rule Review (Committee Record) (Chr. Uecker, J., 644-6030), Senate Finance Hearing Rm., 1:30 p.m.

#### Tuesday, May 15

Senate Insurance & Financial Institutions (Committee Record) (Chr. Hottinger, J., 466-5838), Finance Hearing Rm., 9:30 a.m.

SB 275	NURSE ANESTHETISTS (Burke, D.) Regarding the authority of certified registered
	nurse anesthetists to administer drugs in addition to anesthesia and to select and
	order certain other drugs. (1st Hearing-Sponsor)
SB 247	PERS HEALTH CARE (Dolan, M.) To require the Public Employees Retirement
	System to permit certain spouses of retired or deceased members to continue
	receiving allowances to pay for health care expenses under the System's group health
	care care plans. (1st Hearing-Sponsor)
SB 263	NOTARY PUBLIC (Huffman, M., Wilson, S.) To enact the Notary Public
	Modernization Act. (3rd Hearing-All testimony-Possible amendments & vote)
SB 265	PHARMACY SERVICES (Dolan, M.) To permit certain health insurers to provide
	payment or reimbursement for services lawfully provided by a pharmacist and to
	recognize pharmacist services in certain other laws. (2nd Hearing-Proponent)
SB 273	RATING AGENCIES (Hackett, B.) To enact for the Revised Code a definition of the

term "rating agency." (2nd Hearing-Proponent)
Senate Finance (Committee Record) (Chr. Oelslager, S., 466-0626), Finance Hearing Rm., 2:30 p.m.

Confirmation hearing on governor's appointments of John Adams, CFA, Ohio Higher Educational Facility Commission; Rachel Bankowitz and Donald Brogan, RA, Ohio Historic Site Preservation Advisory Board; Charles Bills, Owens State Community College Board of Trustees; Thomas Carroll, Housing Trust Fund Advisory Committee; Rachel Cummings, Southern State Community College Board of Trustees; Matthew Davis, Ohio Business Gateway Steering Committee; Terrence Fergus, Cleveland State University Board of Trustees; Charles George, Youngstown State University Board of Trustees; Matthew Kirby, CFP, Ohio Tuition Trust Authority; Gary Lindgren and David Scholl, Third Frontier Commission; Austin McClain, Ohio University Board of Trustees; Jill Neff and Joshua Smith, Rio Grande Community College Board of Trustees and Rick Ritzler, Columbus State Community College Board of Trustees

SB 296	LAW ENFORCEMENT BENEFITS (LaRose, F., Hottinger, J.) To revise the
	payments that surviving family members receive from the Ohio Public Safety Officers
	Death Benefit Fund and to permit surviving spouses and children to participate in the
	health, dental, and vision benefits offered to state employees as if the survivors were
	employees of this state. (1st Hearing-Sponsor)
HB 318≧	SCHOOL RESOURCE OFFICERS (Patterson, J., LaTourette, S.) To define the

SCHOOL RESOURCE OFFICERS (<u>Patterson</u>, <u>J.</u>, <u>LaTourette</u>, <u>S.</u>) To define the necessary qualifications and responsibilities of school resource officers, to require the

Facilities Construction Commission to study and report on school building security upgrades and to make an appropriation. (1st Hearing-Sponsor)

WATER IMPROVEMENTS (Gardner, R., O'Brien, S.) To allow equipment for the protection and preservation of Lake Erie to be purchased with proceeds from the Parks and Recreation Improvement Fund, and to appropriate funds for projects enhancing water quality in the Western Lake Erie Basin. (1st Hearing-Sponsor & proponent)

UNCLAIMED FUNDS (Reineke, B.) To exempt certain open-loop prepaid cards, closed-loop prepaid cards, and rewards cards from the Unclaimed Funds Law. (3rd Hearing-Opponent)

SB 299

HB 5442

STUDENT REMOVAL (Lehner, P., Manning, G.) To enact the "SAFE Act" to revise the procedures for emergency removal of a student, to prohibit certain suspensions and expulsions of students in grades pre-kindergarten through three, to require each public school to implement a positive behavior intervention and supports framework in accordance with state standards, and to make an appropriation. (4th Hearing-All testimony-Possible amendments)

House Federalism & Interstate Relations (Committee Record) (Chr. Roegner, K., 466-1177), Rm. 115, 4 p.m.

GRANT APPLICATIONS (<u>Thompson, A.</u>) To establish procedures that executive agencies must follow when applying for grants, to require the Governor to approve any major grant application, and to permit the Governor to disapprove any minor grant application. (1st Hearing-Sponsor)

HCR 26

JERUSALEM (Faber, K., Keller, C.) To recognize Jerusalem as the capital of the State of Israel. (1st Hearing-Sponsor)

GUN LAWS (Johnson, T., LaTourette, S.) To assign to the prosecution the burden of disproving a self-defense or related claim, to expand the locations at which a person has no duty to retreat before using force under both civil and criminal law, and to modify the Concealed Handgun Licensing Law regarding a licensee's duty to keep the licensee's hands in plain sight, the penalties for illegally carrying a concealed firearm or improperly handling firearms in a motor vehicle, and the posting of warning signs regarding the possession of weapons on specified premises. (6th Hearing-All testimony)

HB 85 HEALTH CARE COMPACT (Retherford, W.) To enter into the Health Care Compact. (2nd Hearing-All testimony-Possible vote)

House Education & Career Readiness (Committee Record) (Chr. Brenner, A., 644-6711), Rm. 121, 4 p.m.

SCHOOL SAFETY STANDARDS (Rogers, J., Perales, R.) To require the State Board of Education to adopt rules prescribing standards for safety enhancements to new public and nonpublic school facilities and to require the Ohio Facilities Construction Commission to revise its construction and design standards to comply with the State Board's standards. (1st Hearing-Sponsor)

SCHOOL REGULATIONS (<u>Huffman, M.</u>) To enact the "Ohio Public School Deregulation Act" regarding the administration of preschool and primary and secondary education programs. (1st Hearing-Sponsor)

MONTH DESIGNATION (Schaffer, T., Leland, D.) To designate the month of October as "Ohio Principals Month." (2nd Hearing-All testimony-Possible amendments & vote)

TEACHER EVALUATIONS (Gavarone, T., Manning, N.) With regard to teacher evaluations. (3rd Hearing-All testimony-Possible amendments & vote)

SCHOOL REPORT CARDS (<u>Duffey</u>, <u>M.</u>) To revise the state report card rating system for school districts and public schools. (1st Hearing-Sponsor & proponent-Possible substitute-Pending referral)

Senate Agriculture (Committee Record) (Chr. Hackett, B., 466-3780), South Hearing Rm., 4 p.m.

APIARY DAMAGES (Stein, D.) To grant specified apiary owners immunity in personal injury or property damage cases involving bee stings. (2nd Hearing-Proponent)

DOG BREEDERS (Hill, B.) To revise the law governing high volume dog breeders. (2nd Hearing-Proponent-Possible amendments)

#### Wednesday, May 16

House Finance (Committee Record) (Chr. Smith, R., 466-1366), Rm. 313, 9 a.m.

VOTING EQUIPMENT (LaRose, F.) To make supplemental operating appropriations for the FY 2018-FY 2019 biennium and supplemental capital appropriations for the FY 2017-FY 2018 biennium to implement a voting machine and equipment acquisition program. (1st Hearing-Sponsor & proponent-Pending referral)

Senate Rules & Reference (Committee Record) (Chr. Obhof, L., 466-7505), Majority Conf. Rm., 11:15

House Session (Committee Record) (Chr. Schuring, K., 466-3357), House Chamber, 1:30 p.m. Senate Session (Committee Record) (Chr. Obhof, L., 466-4900), Senate Chamber, 1:30 p.m. Senate Transportation, Commerce & Workforce (Committee Record) (Chr. LaRose, F., 466-4823), North Hearing Rm., 3 p.m. or after session

 Confirmation hearing on governor's appointments of Timothy Staup, Motor Vehicle Salvage Dealers Licensing Board and Norman Lane, State Fire Council

ADMINISTRATIVE REGULATIONS (<u>Peterson, B., McColley, R.</u>) To require agencies to reduce the number of regulatory restrictions. (1st Hearing-Sponsor)

ROAD NAMING (Hottinger, J.) To designate a portion of State Route 93 in

Tuscarawas County as the "PFC Oscar F. Nicewander Memorial Highway" and a
portion of State Route 520 in Holmes County as the "Cpl. Jerry Robert Spitler

Memorial Highway." (1st Hearing-Sponsor)

Senate Education (Committee Record) (Chr. Lehner, P., 466-4538), South Hearing Rm., 3:15 p.m. or after session

BULLYING (Greenspan, D.) To enact the "Ohio Anti-Bullying and Hazing Act" with regard to school discipline and bullying and hazing policies at public schools and public colleges. (1st Hearing-Sponsor)

HB 87 COMMUNITY SCHOOLS (Roegner, K.) Regarding public moneys returned to the state as a result of a finding for recovery issued pursuant to an audit of a community school. (2nd Hearing-Proponent)

ESC BOARDS (<u>Hambley, S., Kick, D.</u>) To permit the addition of appointed members to educational service center boards, to permit a local school district to sever its territory from one educational service center and annex that territory to an adjacent service center under specified conditions, and to authorize educational service centers to establish local professional development committees. (2nd Hearing-All testimony-Possible amendments & vote)

COMMUNITY SCHOOLS (Hambley, S.) Regarding verification of community school enrollments. (5th Hearing-All testimony-Possible amendments & vote)

House Aging & Long Term Care (Committee Record) (Chr. Arndt, S., 644-6011), Rm. 113, 3:30 p.m. or after session

VISITATION RIGHTS (<u>LaTourette, S.</u>) To allow certain specified persons to petition the probate court for reasonable visitation with an incompetent or ward if visitation between the person and the incompetent or ward has been interfered with or denied. (1st Hearing-Sponsor)

RETIREMENT CREDIT (Scherer, G., Howse, S.) Regarding Public Employees
Retirement System service credit for services as a nonteaching school employee of a
county board of developmental disabilities. (1st Hearing-Sponsor)

ELDER FRAUD (Wilson, S.) To develop best practices and educational opportunities to combat elder fraud and exploitation and to fine and require full restitution from offenders who are found guilty of certain fraud-related crimes against the elderly. (1st Hearing-Sponsor)

#### Thursday, May 17

Joint Ohio College Affordability Committee (Chr. Wilson, S., 466-9739), Senate Finance Hearing Rm., 10 a.m.

 Presentation from Chancellor John Carey on past and current initiatives to reduce the cost of college education
 Canceled: House Session (Committee Record) (Chr. Schuring, K., 466-3357), House Chamber, 4

If needed

#### Tuesday, May 22

Senate Rules & Reference (Committee Record) (Chr. Obhof, L., 466-7505), Majority Conf. Rm., 11 a.m.

If needed
 Senate Session (Committee Record) (Chr. Obhof, L., 466-4900), Senate Chamber, 1:30 p.m.

If needed

#### Wednesday, May 23

Joint Education Oversight Committee (Committee Record) (Chr. Manning, G., 466-8150), North Hearing Rm., 8:30 a.m.

 Presentation by State Superintendent Paolo DeMaria and update on progress of other research projects (tentative)
 Senate Rules & Reference (Committee Record) (Chr. Obhof, L., 466-7505), Majority Conf. Rm., 11 a.m. House Session (Committee Record) (Chr. Schuring, K., 466-3357), House Chamber, 1:30 p.m. Senate Session (Committee Record) (Chr. Obhof, L., 466-4900), Senate Chamber, 1:30 p.m. Thursday, Way 24

House Session (Committee Record) (Chr. Schuring, K., 466-3357), House Chamber, 1 p.m.

NOTE: Click bill or resolution number links to see the legislative history compiled by Gongwer News Service. Click the lafter a bill number to create a saved search and email alert for that bill. Click "Full Text" if present to view the text of legislation on the Legislature's Web site.

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From: Thomas, AJ

Sent: Friday, May 11, 2018 11:50 AM

To: Thomas, AJ

Subject: Deconstructing the Administrative State Luncheon Attachments: Deconstructing Admin State Lunch Invite.pdf

Hello! Had enough of bureaucracy? Tired of all the red tape? Concerned about rogue agencies seemingly operating impervious to oversight? I am, too!

A wise man once said, "There is no such thing as a free lunch," but he was wrong!

On Wednesday May 23<sup>rd</sup> there will be a panel discussion of HB580 featuring the American Principles Project's Erin Tuttle, Greg Lawson of The Buckeye Institute, and Micah Derry of Americans for Prosperity. It will be moderated by Representative Andy Thompson. There will also be a free lunch provided by the parties in question.

House Bill 580, adds oversight and transparency to Ohio executive agencies' applications for federal grants, in an effort to control the rise of the administrative state. The discussion will include how the bureaucracy of our federal and state governments has grown over time, and how this administrative growth has specifically hurt the State of Ohio through federal grants and mandates. We will discuss how HB580 will help address the problem we have with a rising administrative state, and institute oversight via the executive branch.

WHERE: 31<sup>st</sup> Fl. North Room

WHEN: Wednesday May 23d from 11:00-12:15

WHO: All Members and Staff are invited

Please RSVP to AJ Thomas (AJ.Thomas@ohiohouse.gov) by Friday May 18<sup>th</sup> so we may have a count for lunch.

We hope to see you there!

andrew M. Thompson

Andy Thompson State Representative









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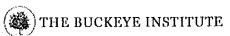
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WHERE: 31s Fl. North Room

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WHO: All Members and Staff are invited

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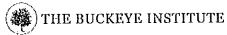
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Subj: Deconstructing the Administrative State Panel Discussion and Luncheon

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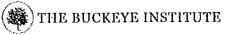
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andrew M. Hompson

Andy Thompson State Representative









From: Westlake, Libby

Sent: Tuesday, May 15, 2018 8:56 AM

To: Westlake, Libby

Subject: E-Clips for 5/15/2018

### **HOUSE E-CLIPS**

5/15/2018



#### GOP GOV. KASICH TO SHARE OHIO PLAN TO HELP LEGAL IMMIGRANTS

Ohio Gov. John Kasich is announcing an initiative aimed at helping legal immigrants successfully integrate in the state.

#### OHIO HOUSE GOP TO PICK NEW SPEAKER; LAST LEADER RESIGNED

Republicans in the Ohio House are slated to vote on a new House speaker after the previous leader resigned amid an FBI inquiry surrounding his activities.

### The Columbus Dispatch

Ohio's Greatest Online Newspaper

### KASICH, DEWINE OPPOSE SPORTS BETTING; CORDRAY WOULD CONSIDER IT

Can you imagine betting a few bucks — legally — on the Ohio State University football Buckeyes to cover the spread against That Team up North?

# <u>Hundreds gather at Statehouse to mark rebirth of Poor People's</u> Campaign

Almost 50 years to the day after the original Poor People's Campaign marched on Washington, the current iteration of the movement descended on the Statehouse steps to call on the General Assembly to address the plight of the millions of people living in poverty.

### House GOP dragged into contentious Tuesday speaker vote

The House speaker is one of the most powerful people in state government, and Ohio lawmakers are about to pick a new one in a rare mid-term replacement.

### MANY STATE EMPLOYEES RECEIVE 8.7% RAISE OVER 3 YEARS

Members of the state's largest employee union will receive a raise of more than 8 percent over three years in a contract ratified by the Ohio Civil Service Employees Association.

### **DISPUTE OVER PROTECTION OF EVIDENCE IN ECOT CASE RESOLVED**

The Ohio auditor's office has finished collecting data for a criminal investigation of failed online charter school ECOT and placed the records in an evidence locker, where they can be

opened and reviewed only by a judge's order under an agreement reached Monday in Franklin County Common Pleas Court.

### THE PLAIN DEALER

# SPORTS WAGERING COULD BE HEADING TO OHIO AFTER SUPREME COURT RULING

Placing sports bets at Ohio casinos made giant leap toward becoming legal with a decision from the U.S. Supreme Court on Monday.

# MIKE DEWINE RAISED \$1 MILLION IN 72 HOURS FOLLOWING HIS GOP PRIMARY WIN, HIS CAMPAIGN SAYS

Mike DeWine's campaign for governor raised \$1 million in the 72-hour period after he won the Republican nomination last week, his campaign said Monday.

# FORUM LOOKS TO FIND ANSWERS ON HOW TO GET MORE WOMEN INVOLVED IN POLITICS

Three politically astute women will share their insights into the disparity between men and women in politics at a Wednesday forum in Cleveland Heights.

# OHIO MEDICAL MARIJUANA COMPANIES AWAIT JUDGE'S DECISION ON WHETHER TO PAUSE GROW LICENSES

The decision of whether to halt a portion of Ohio's nascent medical marijuana program - which the state argues will delay cannabis from getting to sick patients - is now in Franklin County Common Pleas Judge Richard Frye's hands.

### THE ENQUIRER

# WILL OHIO LEGALIZE SPORTS GAMBLING AFTER U.S. SUPREME COURT DECISION?

Want to bet on the Cincinnati Bearcats, Ohio State University Buckeyes or Cincinnati Bengals?

# FBI INVESTIGATION: WHO WILL WIN THE GOP BATTLE TO LEAD THE OHIO HOUSE?

Right to work. Abortion restrictions. Gun laws. Money for schools. Medicaid expansion. A key person controlling decisions on these controversial, complex topics: the Ohio House speaker.

### THE BLADE

SUPREME COURT LETS STATES, INCLUDING OHIO, LEGALIZE SPORTS GAMBLING

The U.S. Supreme Court on Monday opened the door for states like Ohio to enter the sports-betting arena, but it remains to be seen whether the Buckeye State is ready to walk through it.

### SCHOOL THAT TOOK ECOT STUDENTS WANTS POOR SCORES IGNORED

Maumee-based Ohio Virtual Academy and its sponsor are asking lawmakers to provide a "safe harbor" from potentially poor academic performance by students who transferred from the now-shuttered Electronic Classroom of Tomorrow.

From: Thomas, AJ

Sent: Tuesday, May 15, 2018 9:34 AM

To: Thomas, AJ

Subject: RE: Deconstructing the Administrative State Luncheon

Make sure to respond by this Friday 5/18 for a free lunch! See below:

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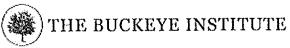
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## State Representative House District 95









From: The Buckeye Institute

Sent: Thursday, May 17, 2018 10:46 AM

To: Best, Carolyn

Subject: The Buckeye Institute: Changes to Renewable Energy Mandate Risk Ohio's

Economy



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

May 17, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

### The Buckeye Institute: Changes to Renewable Energy Mandate Risk Ohio's Economy

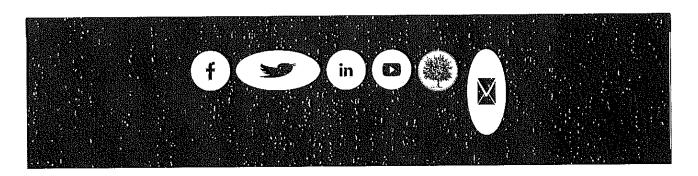
Columbus, OH -- The Buckeye Institute issued the following statement on the changes made to the policies in House Bill 114.

"For years Ohio consumers have been able to voluntarily pay to receive their energy from renewable sources and they should be allowed to continue to choose whatever energy source best meets their needs. They do not need the government forcing them to pay higher energy bills to pay for a forced mandate.

"With House Bill 114, the Ohio House of Representatives had wisely shifted Ohio away from government imposed renewable energy mandates. Unfortunately, the Senate has reinstated them. Although the Senate proposal reduces the forced mandates, the fact that they remain unduly **risks Ohio's economic growth** by continuing to allow a special interest subsidy at a time when we should be eliminating all subsidies."

Founded in 1989, The Buckeye Institute is an independent research and educational institution - a think tank - whose mission is to advance free-market public policy in the states.

The Buckeye Institute is a non-partisan, non-profit, and tax-exempt organization, as defined by section 501(c)(3) of the Internal Revenue code. As such, it relies on support from individuals, corporations, and foundations that share a commitment to individual liberty, free enterprise, personal responsibility, and limited government. The Buckeye Institute does not seek or accept government funding.



The Buckeye Institute, 88 East Broad Street, Suite 1120, Columbus, OH 43215

SafeUnsubscribe™ carolyn.best@ohiohouse.gov

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Sent by info@buckeyeinstitute.org

From: The Buckeye Institute

Sent: Thursday, May 17, 2018 5:25 PM

To: Best, Carolyn

Subject: The Buckeye Institute Reacts to HHS Determination that Ohio's 1332

Medicaid Waiver Application is Incomplete



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE May 17, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

# The Buckeye Institute Reacts to HHS Determination that Ohio's 1332 Medicaid Waiver Application is Incomplete

**Columbus, OH -- The Buckeye Institute** issued the following statement on the Centers for Medicare and Medicaid Services' determination that Ohio's 1332 Medicaid waiver application was incomplete.

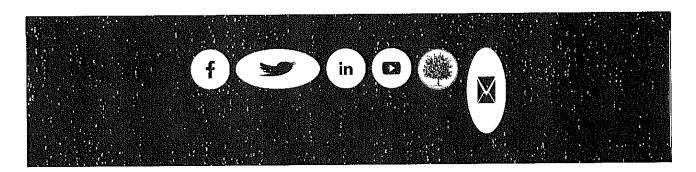
"It is disappointing that the federal government would **deem Ohio's 1332 Medicaid** waiver application incomplete. The Ohio application does not impact health coverage according to actuarial evidence. While Health and Human Services (HHS) told states it would work with them to use innovation waivers to ease the burden of the Affordable Care Act, in practice HHS has been inflexible. It's refusal to rescind Obama-era guidance regarding 1332's reinforces that message of inflexibility."

#### ###

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Sent by info@buckeyeinstitute.org

From: Capitol Letter

Sent: Friday, May 18, 2018 6:15 AM

To: Best, Carolyn

Subject: Lawmakers tackle college affordability

Friday, May 18, 2018

View in Browser



# Capitol Letter

Laura Hancock and Jeremy Pelzer

### **Rotunda Rumblings**

The old college try: Two lawmakers challenged Thursday claims by the Ohio Department of Higher Education that college is becoming more affordable. In 2008, average public college tuition in Ohio was 139.8 percent of the national average, making the state one of the most

expensive places to attend school, the department's Jim Bennett told the Joint Committee on College Affordability, which met for the first time Thursday. Now it is 107.8 of the national average, he said. Schools have brought costs down with tuition freezes and guaranteed tuition rates for freshmen who finish in four years, he said. But Rep. Niraj Antani brought data showing in 2006, Ohio had the 15th highest average student loan debt, at \$19,000, and in 2016 it increased to \$30,000, the country's ninth highest. Rep. Mike Duffey said he appreciated college trustees' efforts to curb tuition increases but said some costs have shifted to yearly spikes in fees.

A survey of college costs: Lawmakers from both chambers and parties serve on the Joint Committee on College Affordability, which will meet over the coming months and potentially suggest bills for the whole General Assembly to consider. Chairman Sen. Steve Wilson told committee members to read five Ohio reports on college affordability to better understand how the state is trying to tackle the issue. He instructed committee members to consider areas of college costs they'd like to look at.

Lukewarm response: Senate revisions to controversial energy-mandate legislation (House Bill 114) are evoking mixed feelings from both sides -- which isn't surprising, given that the substitute bill was drawn up as a compromise plan. Trish Demeter of the Ohio Environmental Council, in a statement, praised senators for inserting new language to loosen wind-turbine setback restrictions, but she added, "there's a lot in this bill that could deal some blows to Ohio's clean energy opportunities." Scott Elisar, who represents the Industrial Energy Users-Ohio, told Capitol Letter that while the trade association is still reviewing the Senate's changes, they "appreciate the efforts of [Senate] leadership to try to reduce the cost of the mandates." One group that did offer a strong reaction was the Buckeye Institute: in a statement, the pro-free-market think tank accused senators of "unduly risk[ing] Ohio's economic growth" by undoing the House's attempt to make the state's energy-efficiency and renewable-energy standards voluntary instead of mandatory.

**Summer plans?** Senate President Larry Obhof told reporters Wednesday that the Senate will activate at least one of its three "if-needed" session

days (June 6, 13 and 27), though a Senate GOP spokesman said Thursday that no decision has been made on which days will be selected. If that happens, the Senate might decide to pass HB 114 instead of waiting until fall; however, Sen. Bill Beagle, who helped draw up the sub bill, said Wednesday that it's "too early to say" whether that might happen.

Orphaned well bill clears Senate panel: The Senate Energy and Natural Resources Committee voted to report legislation designed to help plug orphaned oil and gas wells, though members first made some changes to the bill's funding mechanisms. A substitute bill to <a href="House Bill 225">House Bill 225</a>, adopted by the committee Wednesday, lowers the percentage of money required to be spent from the state's oil and gas fund to seal up abandoned wells from 45 percent to 30 percent. (An Ohio Department of Natural Resources official <a href="previously said">previously said</a> spending 45 percent of the fund on plugging old wells would be "problematic.") However, the sub bill also boosts general-revenue funding for the effort from \$6 million to \$15 million.

### **Stories We're Talking About**

Rinse, repeat: Political ads will be resuming in Ohio just 10 days after the May primary ended. <u>Cleveland.com's Andrew Tobias reports</u> U.S. Sen. Sherrod Brown will be launching the first ads of this year's U.S. Senate race, beginning Friday. A campaign spokeswoman said Ohio voters "will begin hearing about the clear difference in the race for Senate."

**Grade - incomplete:** The Ohio Department of Insurance is reviewing a letter the federal Centers for Medicare and Medicaid Services sent Thursday, rejecting its attempt to nix the individual mandate portion of the Affordable Care Act. The federal government told the state important information was missing from its application, <u>Capitol Letter's Laura</u> Hancock reports.

Joyce's tokin' amendment: U.S. Rep. Dave Joyce "secured language in a federal spending bill that would prohibit the Justice Department from interfering with medical marijuana laws in states like Ohio," writes cleveland.com's Sabrina Eaton. The measure made it into a House appropriation bill funding the U.S. Department of Justice.

**Green light:** Supporters of a proposed statewide recreational marijuana ballot measure can begin collecting signatures, after the Ohio Ballot Board approved the "Marijuana Rights and Regulations" state constitutional amendment as a single issue on Thursday, <u>reports cleveland.com's Jackie</u> Borchardt.

**Dettelbach down memory lane**: Steve Dettelbach looks back to his time as U.S. Attorney in Northern Ohio in his first campaign ad for Ohio Attorney General. <u>Borchardt writes</u> the ad features Ann Rowland, who helped Dettelbach put away dozens of officials and contractors during a massive corruption investigation into the Democratic-controlled Cuyahoga County government that began in the late 2000s.

Ouch: Senate Majority Leader Mitch McConnell made a conspicuous snub during a Thursday interview with the <u>Washington Post</u>. McConnell rattled off eight states where he thinks the slim Republican Senate majority will be won or lost. Ohio, Pennsylvania and Wisconsin were not among them. McConnell said he thought there were "credible candidates" in Ohio — ahem, Jim Renacci — and Pennsylvania, but that those races weren't yet top-tier.

Chabot's other campaign: Cincinnati U.S. Rep. Steve Chabot, who's running for re-election, also is making a quiet pitch to be the top Republican on the House Judiciary Committee in 2019, writes Politico's Kyle Cheney. Chabot is making his experience as a central figure in the 1998 House's impeachment of then-president Bill Clinton part of his pitch for the job. Read between the lines what you will.

### **Full Disclosure**

Five things we learned from U.S. Rep. Steve Stivers' Aug. 12 <u>financial</u> <u>disclosure statement</u>. Stivers, a Columbus-area Republican, is running for re-election in November and facing Columbus Democrat Rick Neal.

1. He has two trusts, the AJ Stivers trust and the Zua Stivers Trust. The AJ Stivers Trust has cash, a money market, \$100,001 to \$250,000 in Procter and Gamble stock, real estate in Ripley in Brown County and Wheeler County, Texas. Its value is \$117,005 to \$331,000. The Zua Stivers Trust

also has cash, General Electric, P&G, ExxonMobil and other stock, bonds, farmland in Crawford and Marion counties and index funds. Its value is \$116,018 to \$491,000.

- 2. He has a Chase checking account with \$1 to \$15,000, a Chase savings account with \$15,001 to \$50,000 and a joint savings account with his wife at Arlington Bank with \$1 to \$15,000.
- 3. He and his wife jointly had a home equity loan with the Arlington Bank, owing \$50,001 to \$100,000. They had a mortgage on a house in Upper Arlington for \$250,001 to \$500,000. Stivers didn't indicate if it was their primary residence but he said it was not a rental property.
- 4. He has a Chase Roth IRA worth \$1 to \$10,000. He has served in the Ohio Army National Guard and the state Senate, and has an Ohio Public Employees Retirement System pension valued at \$50,001 to \$100,000. He has a 401(k) and pension with JPMorgan Chase, each valued at \$50,001 to \$100,000. A Fidelity retirement account has \$15,001 to \$50,000.
- 5. He reported two Edward Jones investment funds, each with \$1 to \$15,000 that belong to his children. He also reported two Northwestern Mutual life insurance policies with the same fair market values for each child.

### What's Going On

Friday 8:30 a.m. – Ohio Job and Family Services to release statewide labor force data online.

Friday 10 a.m. – Ohio Board of Voting Machine Examiners. Ohio secretary of state's office, 15th and 17th floors, Continental Plaza Building, 180 East Broad St.

Friday Noon to 1 p.m. – Mike DeWine to visit suburban Columbus school: The attorney general and Republican gubernatorial hopeful plans to tour Kae Avenue Elementary School. 4738 Kae Ave., Whitehall.

Friday Noon to 1:15 p.m. – Indian ambassador to speak in Columbus:

Navtej Sarna, the Indian ambassador to the United States, is set to speak at a Columbus Metropolitan Club event. *The Boat House at Confluence Park, 679 W. Spring St.* 

Friday Noon – Lake County Republican Roundtable. Rider's Inn, 792 Mentor Ave., Painesville.

Friday 2 p.m. – Rob Portman to attend panel discussion, tour Columbus-area company: The Republican U.S. senator plans to participate in a "Future of Workforce" panel discussion at COSI at 2 p.m., then tour the Eleventh Candle Company in Worthington at 3:30 p.m.

Friday 6:30 to 8 p.m. – Ohio House Democratic Caucus candidate reception. Dempsey's Food and Spirits, 346 S. High St.

Saturday 8 a.m. – Susan G. Komen Race for the Cure Expo and SurvivorPalooza. North Plaza, Ohio Statehouse.

### **Birthdays**

Friday 5/18: George Boas, Ohio Senate Democrats' deputy chief of staff

Democratic secretary of state nominee/Rep. Kathleen Clyde

Sen. John Eklund

### **Straight From The Source**

"Get a thick skin."

- Soon-to-retire Hamilton County Democratic Party Chair Tim Burke, when asked by WCPO-TV what advice he would give to his replacement.

One of our aims with Capitol Letter is frequent communication with you, the reader. We value your thoughts and suggestions about the newsletter. What do you think of it? What features do you like? What

could we do better? Is there a topic you'd like to see us address? And what time would you like to receive the newsletter? We've been sending it at about 6:15 a.m. Would you like it to arrive earlier? We value your feedback and are committed to making Capitol Letter your essential first read of the morning. Email us at Capitolletter@cleveland.com.

To ensure receipt of our emails, please add cleveland.com newsletters@update.cleveland.com to your address book or safe sender list. You received this email because you opted-in to the newsletter. Was it forwarded to you? Sign up now!

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From: The Buckeye Institute

Sent: Friday, May 18, 2018 11:33 AM

To: Best, Carolyn

Subject: The Buckeye Institute: Ohio's Job Market Continues its Steady Climb



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

May 18, 2017

(614) 224-3255 or Lisa@BuckeyeInstitute.org

## The Buckeye Institute: Ohio's Job Market Continues its Steady Climb

Columbus, OH -- Andrew J. Kidd, Ph.D., an economist with The Buckeye Institute's Economic Research Center, commented on newly released employment data from the Ohio Department of Job and Family Services (Click here to download the audio file.).

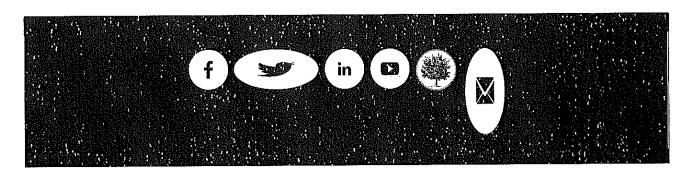
"Ohio continues to experience steady improvement in its labor market with unemployment falling to 4.3 percent, and significant job growth relative to April 2017 when the unemployment rate was 5.1 percent. This, coupled with the rise in labor force participation, means Ohio's labor market is growing and those seeking jobs are finding them. This is good news for Ohioans and good news for Ohio's economy.

"Although Ohio has yet to reach the national unemployment rate of 3.9 percent, we are on the right track. While the national labor force participation rate fell, Ohio's actually grew. This means Ohio fared better than most states in maintaining a strong labor force. Although Ohio is moving in the right direction, policymakers need to ensure obstacles, such as special tax credits to benefit specific businesses, are not put in place that would harm this growth.

"While this month's growth was slower than previous months, Ohio's unemployment rate has held steady or fallen every month since October 2016, and we should not lose sight of the fact that relative to 2017, Ohio's job market is much stronger and continuing progrowth policies will help both Ohio businesses and Ohio workers.

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To: Thomas, AJ

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#### AJ THOMAS

Legislative Aide
State Representative Andy Thompson | Ohio's 95<sup>th</sup> House District
Ohio House of Representatives
77 South High Street, 11<sup>th</sup> Floor
Columbus, Ohio 43215

Office number: (614) 644-8728 AJ.Thomas@ohiohouse.gov

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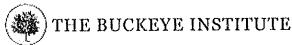
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Sent: Tuesday, May 15, 2018 9:34 AM

To: Thomas, AJ <AJ.Thomas@ohiohouse.gov>

Subject: RE: Deconstructing the Administrative State Luncheon

Make sure to respond by this Friday 5/18 for a free lunch! See below:

From: Thomas, AJ

**Sent:** Friday, May 11, 2018 11:50 AM

To: Thomas, AJ <AJ.Thomas@ohiohouse.gov>

Subject: Deconstructing the Administrative State Luncheon

Hello! Had enough of bureaucracy? Tired of all the red tape? Concerned about rogue agencies seemingly operating impervious to oversight? I am, too!

A wise man once said, "There is no such thing as a free lunch," but he was wrong!

On Wednesday May 23<sup>14</sup> there will be a panel discussion of HB580 featuring the American Principles Project's Erin Tuttle, Greg Lawson of The Buckeye Institute, and Micah Derry of Americans for Prosperity. It will be moderated by Representative Andy Thompson. There will also be a free lunch provided by the parties in question.

House Bill 580, adds oversight and transparency to Ohio executive agencies' applications for federal grants, in an effort to control the rise of the administrative state. The discussion will

include how the bureaucracy of our federal and state governments has grown over time, and how this administrative growth has specifically hurt the State of Ohio through federal grants and mandates. We will discuss how HB580 will help address the problem we have with a rising administrative state, and institute oversight via the executive branch.

WHERE: 31\* Fl. North Room

WHEN: Wednesday May 23d from 11:00-12:15

WHO: All Members and Staff are invited

Please RSVP to AJ Thomas (AJ.Thomas@ohiohouse.gov) by Friday May 18th so we may have

a count for lunch.

We hope to see you there!

andrew M. Hompson

Andy Thompson State Representative House District 95









From: Thomas, AJ

Sent: Friday, May 18, 2018 12:32 PM

To: Thomas, AJ

Subject: FW: Deconstructing the Administrative State Luncheon

Final chance! Don't miss out on lunch and a great opportunity to see what we are doing to control the rise of the administrative state. Thanks!

#### AI THOMAS

Legislative Aide
State Representative Andy Thompson | Ohio's 95<sup>th</sup> House District
Ohio House of Representatives
77 South High Street, 11<sup>th</sup> Floor
Columbus, Ohio 43215
Office pumber: (514) 544, 8738

Office number: (614) 644-8728 AJ.Thomas@ohiohouse.gov

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Andy Thompson State Representative House District 95









From: Capitol Letter

Sent: Monday, May 21, 2018 6:15 AM

To: Best, Carolyn

Subject: Ryan Smith may be elected Ohio House speaker on Tuesday

Follow Up Flag: Follow up Flag Status: Completed

Monday, May 21, 2018

View in Browser



# **Capitol Letter**

Laura Hancock and Jeremy Pelzer



# Rotunda Rumblings

Speaker Smith? After days of deadlock, Ryan Smith appears set to have the 50 House Republican votes needed to become interim speaker of the House, according to the Columbus Dispatch's Jim Siegel. To reach 50, Smith needs at least three of the 18 anti-Smith Republicans to support him; it's unclear which members would change their minds. The House has added a Tuesday morning session to hold the vote; in addition to an already-scheduled Wednesday session, the House may also convene Thursday before leaving for summer break.

Minority opinion: Democratic Rep. David Leland says that the speaker

vote would be invalid if held on Tuesday, arguing that House Rule 1 doesn't allow anyone but the speaker to call a new session day. Leland told Siegel he thinks Tuesday's vote, if it takes place, will be challenged either by Democrats or an anti-Smith Republican.

The story behind the invitation: The pro-Larry Householder blog Third Rail Politics last week <u>posted</u> a fundraising invite from Rep. Tom Brinkman listing special guest Rep. Ryan Smith as "Speaker of the Ohio House," even though Smith is still working to get enough House GOP votes to win the job. While that seems like either a presumptuous move or a power play on Smith's part, Brinkman gave a more mundane explanation to Capitol Letter. The Cincinnati Republican said the invite was only a draft drawn up by his wife, and it was never made public until someone leaked it to 3rd Rail. Brinkman said he set up the May 30 fundraiser months ago, and he listed Smith as speaker in the draft because he presumed Smith would be elected speaker by the day of the event. Smith "had nothing to do" with the invite, Brinkman said.

Guns on premises: Tenants can't be barred from possessing firearms in Section 8 and other subsidized housing, according to a bill backed by the Ohio Real Estate Investors Association. Senate Bill 234 allows landlords to impose "reasonable restrictions" on how tenants care for and store guns and ammunition. Landlords would have immunity from lawsuits over shootings and could sue their tenants if they don't follow the gun provisions in their rental agreements, the bill states. The Ohio Real Estate Investors Association represents some companies involved in Section 8 housing and believes the bill strikes the right balance between Second Amendment rights and the responsibility of being a housing provider, said its government affairs director Dan Acton, in testimony submitted Wednesday to lawmakers.

Don't give a scam: Two bipartisan bills introduced Tuesday seek to crack down on wire fraud. House Bill 647, the Wire Fraud Information Act, would require financial institutions to warn customers who are wiring money about the signs and possibilities of financial scams and fraud. House Bill 648, the Wire Transfers Temporary Hold Act, would allow banks and wire-transferring companies to hold a transaction for up to 15 days if an employee suspects it's part of an attempt to exploit a "vulnerable adult" --

defined as adults who are older than 60 or have a disability. Co-sponsor Reps. Richard Brown and Gary Scherer (a Democrat and a Republican, respectively) stated in a letter to their fellow lawmakers that the proposals "would act as last lines of defense" against scammers.

Labor pains: An anticipated U.S. Supreme Court ruling could decrease the number of state and local government workers who are members of labor unions by 6.8 percent in Ohio, according to a recent report from the University of Illinois at Urbana-Champaign. The high court is expected to soon decide Janus v. AFSCME, Council 31, which focuses on the constitutionality of "agency fees" paid by government workers who benefit from a union's collective bargaining agreement, even though they choose to not be members of the union. The court is expected to rule that unions cannot charge the fees. In Ohio, 258,000 government employees are represented by unions, and the research anticipates unions will lose 40,000 members if the court rules against AFSCME.

Betting on new revenue: State Sen. Joe Schiavoni announced Friday he plans to introduce a bill to legalize and regulate sports betting at casinos and racinos to create new revenue for Ohio. Last week, the U.S. Supreme Court cleared the way for states to permit sports gambling. Schiavoni, a Democrat, said he wants a plan with bipartisan support – necessary to pass the GOP-controlled General Assembly. Republicans have had varied reactions to the Supreme Court decision – with Gov. John Kasich's administration saying expanding gambling isn't a priority and Attorney General Mike DeWine, the GOP gubernatorial hopeful, urging legislators to get in front of the issue before special interests push a ballot issue.

Pay up: Secretary of State Jon Husted's office is seeking Controlling Board approval on Monday to pay more than \$898,000 in attorneys' fees for three court cases involving voting rights and campaign contributions. Of that, \$350,000 would go to pay legal fees to settle a 2015 lawsuit claiming Ohio's voting laws and services weren't accessible enough for blind people. Another \$412,000 and \$135,000 would help pay attorneys' fees in cases overturning voter restrictions and a ban on campaign donations to certain candidates from Medicaid providers, respectively.

Connie's next move? Ex-Democratic gubernatorial hopeful Connie Pillich

is "seriously considering" a run for Hamilton County Democratic Party chair, <u>according to WVXU? 9s Howard Wilkinson</u>. Other names being mentioned as possible successor for retiring party chair Tim Burke: retired municipal court judge Cheryl Grant, ex-state Sen. Eric Kearney, and ex-U.S. Rep. Steve Driehaus.

**Fire advisory:** Don't be alarmed if you hear rifle shots near the Statehouse around 11:30 a.m. Monday. That's when the Ohio Natural Resources Rifle Squad will fire a three-round volley as part of the governor's wreath-laying ceremony to honor fallen Ohio service members.

# **Stories We're Talking About**

Marijuana program challenge denied: "Unsuccessful medical marijuana cultivator applicants challenging the state's process for awarding the lucrative grow licenses hit a major setback in court on Thursday," writes cleveland.com's Jackie Borchardt. "Franklin County Common Pleas Judge Kim Brown denied five companies' request for a preliminary injunction to scrap the medical marijuana grow license scores and start over from the beginning."

In another marijuana case: The state's medical marijuana program scored another win when a Franklin County judge on Friday denied a grower's request that part of the program be put on hold. However, <u>as cleveland.com's Laura Hancock reports</u>, the judge did order state officials to give Ohio ReLeaf LLC an administrative hearing. <u>Borchardt has an overview</u> of the effect of both rulings.

Mixed reviews: Last week's Senate rewrite of green-energy legislation, which includes a relaxation of the state's wind turbine setback rules, is being applauded by the wind industry, which says the changes would lead them to invest billions in the state. But as The Plain Dealer's John Funk finds, "clean energy groups are not so sure they can support the Senate's redraft because, while it does not eliminate the state's renewable and efficiency mandates, it does water them down significantly."

Cordray hits DeWine on opioids: "In what is likely to be one of the premier issues in the November gubernatorial election, Democratic

nominee for governor Richard Cordray on Friday attacked Republican nominee Mike DeWine as responsible for people dying from opioid and heroin overdoses," reports cleveland.com's Seth Richardson. "Cordray said DeWine's sluggish response as the state's top law enforcement official has led to people dying." DeWine called the accusation absurd.

**Come together:** "The entire Ohio Republican congressional delegation is holding a fundraiser for state Sen. Troy Balderson on Monday — including U.S. Rep. Jim Jordan, who stumped for Balderson's primary opponent" Melanie Leneghan, writes the Dispatch's Jessica Wehrman.

No refund: Balderson is keeping \$20,000 in donations to his state Senate campaign fund from Bill Lager, the founder of the now-shuttered Electronic Classroom of Tomorrow charter school, according to the Dispatch's Darrel Rowland. A Balderson spokesman noted that the Zanesville Republican's congressional campaign hasn't taken any contributions from Lager, but the campaign didn't answer follow-up questions about his Senate contributions.

**Good news/bad news:** New state jobs numbers show Ohio lost 1,000 jobs in April, even though the state's unemployment rate dropped 0.1 percent from March. As <u>The Plain Dealer's Olivera Perkins explains</u>, the discrepancy is "because the unemployment rate and the increase or decrease in jobs are based on different measures."

Mr. Durable: In the latest episode of cleveland.com's political podcast "Ohio Matters," veteran GOP consultant Mark Weaver says that while DeWIne and Cordray are not the most charismatic candidates, DeWine is hardworking and cares for Ohio. ""There is probably no more durable brand in Ohio politics than Mike DeWine," he said, adding that Cordray is "smart as a whip" but "has not found his political voice yet."

Slow release: The Ohio Supreme Court has "kicked down the road" a proposal to allow secret grand jury transcripts to be released in limited cases — including fatal police shootings resulting in no indictments, according to the Dispatch's Randy Ludlow. The court missed a May 1 deadline to act on the idea, recommended by a judicial task force in 2016 but opposed by prosecutors and police organizations.

### **Full Disclosure**

Five things we learned from U.S. Rep. Steve Chabot's May 11, 2017, financial disclosure statement. A new financial disclosure statement was due Tuesday, but the Cincinnati Republican requested a 30-day extension. Chabot, who represents Ohio's first congressional district, faces Democrat Aftab Pureval, the Hamilton County clerk of courts, in November.

- 1. He reported owning Facebook, Netflix and Finish Line shares of stock, for a fair market value of \$15,001 to \$50,000 in each company. He has TripAdvisor and Under Armour stock, each worth \$1 to \$15,000.
- 2. He has a deferred compensation plan with the Ohio Public Employees Retirement System worth \$150,003 to \$300,000. He has an OPERS pension worth \$50,001 to \$100,000.
- 3. Chabot has a PNC Bank account with \$100,001 to \$250,000 and a U.S. Bank Account with \$15,001 to \$100,000.
- 4. Together all his assets including the OPERS funds, stocks, bank accounts and other investments are valued at \$559,027 to \$1.5 million.
- 5. The conservative Heritage Foundation paid for his lodging and food on a trip from Washington to Middleburg, Virginia. The trip's cost was not disclosed.

## On The Move

Annie Ellison has been hired as campaign manager for 12th Congressional District Democratic nominee Danny O? 9Connor. Ellison most recently served as communications director for Gretchen Whitmer's campaign for Michigan governor and press secretary for U.S. Rep. Ami Bera of California. Ellison takes over for Chris Binder, who is now working as a fundraiser for the Franklin County Democratic Party.

# What's Going On

**10 a.m. – The Eyes of Freedom exhibit:** The interactive traveling tribute to soldiers and veterans will be on display through May 27. *Rotunda, Ohio Statehouse.* 

10 a.m. – Attorney General's Task Force on Criminal Justice and Mental Illness quarterly meeting. The State Library of Ohio, 274 E. First Ave.

**11 a.m. – Governor's wreath-laying ceremony:** Gov. John Kasich and others plan to honor fallen Ohio service members as part of a Memorial Day ceremony. *West Plaza, Ohio Statehouse.* 

**Noon – Rep. Emilia Sykes golf outing fundraiser:** Sponsor levels for the Akron Democrat range from \$125 to \$1,000. Tee times are from noon until 2 p.m.; a 5:30-7 p.m. reception will follow. *Firestone Country Club, 452 E. Warner Rd, Akron.* 

1:15 p.m. – Rich Cordray to make opioid crisis-themed campaign stops: The Democratic gubernatorial nominee has stops planned in Canton at 1:15 p.m., Mansfield at 3 p.m. and Findlay at 5:15 p.m. to discuss the opioid epidemic and attack GOP rival Mike DeWine over the issue.

1:30 p.m. - Controlling Board. North Hearing Room, Senate Building.

**6:30 to 8 p.m. – Kathleen Clyde fundraising reception:** The Democratic secretary of state nominee is seeking donations between \$50 and \$1,000. The event is being held at the Pepper Pike home of Jill Miller Zimon.

# **Birthdays**

Laura Bischoff, Dayton Daily News political reporter

# **Straight From The Source**

"The only thing bigger than the royal wedding is the @CuyahogaDWC annual brunch AND tonight's return of @burningriver to Ohio's 8th House District. Harry and Meghan are super jealous of my life."

- Rep. Kent Smith, tweeting Saturday about the Cuyahoga Democratic Women's Caucus brunch and the Burning River Roller Derby league. Saturday was also the day Prince Harry and Meghan Markle got married at Windsor Castle in Great Britain.

One of our aims with Capitol Letter is frequent communication with you, the reader. We value your thoughts and suggestions about the newsletter. What do you think of it? What features do you like? What could we do better? Is there a topic you'd like to see us address? And what time would you like to receive the newsletter? We've been sending it at about 6:15 a.m. Would you like it to arrive earlier? We value your feedback and are committed to making Capitol Letter your essential first read of the morning. Email us at Capitolletter@cleveland.com.

To ensure receipt of our emails, please add cleveland.com newsletters@update.cleveland.com to your address book or safe sender list. You received this email because you opted-in to the newsletter. Was it forwarded to you? Sign up now!

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From: The Buckeye Institute

Sent: Wednesday, April 11, 2018 10:23 AM

To: Best, Carolyn

Subject: The Buckeye Institute: Emergency Workers Who Help Ohio in Times of

Disaster Should be Thanked Not Burdened with Red Tape

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# THE BUCKEYE INSTITUTE

Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE April 11, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

The Buckeye Institute: Emergency Workers Who Help Ohio in Times of Disaster Should be Thanked Not Burdened with Red Tape

Greg Lawson Testifies Before Ohio Senate Ways and Means Committee on House Bill 133

Columbus, OH -- The Buckeye Institute's Greg R. Lawson testified today (see full text below or download a PDF) before the Ohio Senate Ways and Means Committee on House Bill 133.

In his testimony, Lawson outlined the onerous nature of Ohio's "byzantine local tax policies and its arcane occupational licensing regime" and questioned why Ohio would extend "its failed policies to men and women from other states who have come to help restore our power, our water, and rebuild our infrastructure in the days after a disaster."

Noting that there is consensus across the political spectrum that occupational licensing "hurt[s] workers and make[s] it more difficult for people to work in their chosen professions," Lawson pointed out that "our state's outmoded tax and licensing policies are even more absurd and risk even harsher consequences when imposed upon out-of-state rescue and emergency personnel coming to lend Ohio a helping hand."

Lawson closed calling the exemptions "necessary and proper," saying, "Once policymakers recognize the necessity and propriety of exempting non-Ohioans from these nettlesome policies, The Buckeye Institute hopes that Ohioans will soon get some much-needed relief from this broken system, too."

#### ###

### Interested Party Testimony Submitted on House Bill 133 Before the Ohio Senate Ways and Means Committee

### Greg R. Lawson, Research Fellow The Buckeye Institute April 11, 2018

#### = A

Thank you, Chairman Eklund, Vice Chair Terhar, Ranking Member Williams, and members of the Committee for the opportunity to testify today regarding House Bill 133 and the tax and regulatory exemptions for out-of-state emergency-response personnel.

My name is Greg R. Lawson. I am the research fellow at **The Buckeye Institute**, an independent research and educational institution -- a think tank -- whose mission is to advance free-market public policy in the states.

House Bill 133 exempts out-of-state workers from most of Ohio's state and local taxes if they are here responding to a Governor-declared state of emergency. The bill also rightly exempts such workers from state and local occupational licensing requirements. Given Ohio's byzantine local tax policies and its arcane occupational licensing regime, these exemptions are necessary and proper.

According to the Tax Foundation, a leading non-partisan tax research organization, Ohio has the unfortunate distinction of owning the worst municipal income tax system in the country.[1] Ohio also boasts some of the nation's most stringent occupational licensing requirements -- requirements that The Heritage Foundation[2], the Brookings Institute[3], and even the Obama[4] and Trump administrations[5] have all agreed hurt workers and

make it more difficult for people to work in their chosen professions. Our state's outmoded tax and licensing policies are even more absurd and risk even harsher consequences when imposed upon out-of-state rescue and emergency personnel coming to lend Ohio a helping hand.

The Buckeye Institute's *Ohio Illustrated: A Visual Guide to Taxes and the Economy*, [6] coauthored by the Tax Foundation, highlights the complexity and burdens of Ohio's local tax system currently imposed on out-of-state emergency responders who are here only to help. Not content to impose its onerous tax and licensing schemes on its own citizens, Ohio extends its failed policies to men and women from other states who have come to help restore our power, our water, and rebuild our infrastructure in the days after a disaster. A simple "thank you" would likely be more appreciated.

As The Buckeye Institute's **Economic Research Center** has explained repeatedly,[7] Ohio's occupational licensing requirements -- essentially government permission slips to go to work in the morning -- do not work for Ohioans, so one can only wonder why such requirements would ever work for *non*-Ohioans trying to relieve our communities hit hardest by some natural disaster. The fact is, of course, they won't.

House Bill 133's exemptions are both necessary and proper. Necessary: because when Ohio takes a devastating blow and must rebuild communities after floods, tornados, or winter storms, the last thing those communities should have to endure is bureaucratic red-tape preventing would-be responders from turning on the electricity or restoring potable drinking water while they wait for their licenses to clear. And proper: because sending a petty, unexpected tax bill to those who left the safety and comfort of their own home-states to help rescue ours is no way to show gratitude.

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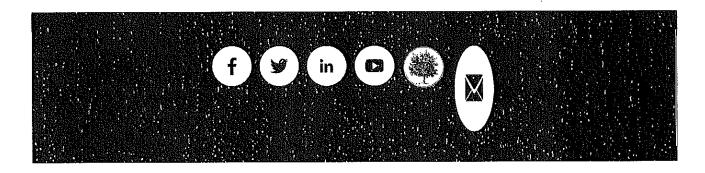
- [3] Morris M. Kleiner, Reforming Occupational Licensing Policies, The Hamilton Project, March 2015.
- [4] The White House, Occupational Licensing: A Framework for Policymakers, July 2015.
- [5] Secretary of Labor Alexander Acosta, Speech before the 44th Annual Meeting of the American Legislative Exchange Council, U.S. Department of Labor, July 21, 2017.
- [6] Ohio Illustrated: A Visual Guide to Taxes and the Economy, The Buckeye Institute and The Tax Foundation, June 7, 2017.
- [7] Orphe Pierre Divounguys, PhD, Bryce Hill, and Greg R. Lawson, *Still Forbidden to Succeed: The Negative Effects of Occupational Licensing on Ohio's Workforce*, The Buckeye Institute, December 18, 2017; and Tom Lampman, *Forbidden to Succeed: How Licensure Laws Hold Ohioans Back*, The Buckeye Institute, November 18, 2015.

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FOR IMMEDIATE RELEASE April 11, 2018

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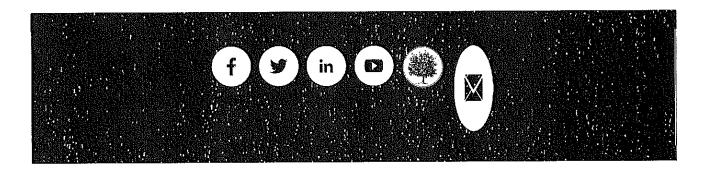
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Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE

April 11, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

# The Buckeye Institute: Emergency Workers Who Help Ohio in Times of Disaster Should be Thanked Not Burdened with Red Tape

Greg Lawson Testifies Before Ohio Senate Ways and Means Committee on House Bill 133

Columbus, OH -- The Buckeye Institute's Greg R. Lawson testified today (see full text below or download a PDF) before the Ohio Senate Ways and Means Committee on House Bill 133.

In his testimony, Lawson outlined the onerous nature of Ohio's "byzantine local tax policies and its arcane occupational licensing regime" and questioned why Ohio would extend "its failed policies to men and women from other states who have come to help restore our power, our water, and rebuild our infrastructure in the days after a disaster."

Noting that there is consensus across the political spectrum that occupational licensing "hurt[s] workers and make[s] it more difficult for people to work in their chosen professions," Lawson pointed out that "our state's outmoded tax and licensing policies are even more absurd and risk even harsher consequences when imposed upon out-of-state rescue and emergency personnel coming to lend Ohio a helping hand."

Lawson closed calling the exemptions "necessary and proper," saying, "Once policymakers recognize the necessity and propriety of exempting non-Ohioans from these nettlesome policies, The Buckeye Institute hopes that Ohioans will soon get some much-needed relief from this broken system, too."

#### ###

### Interested Party Testimony Submitted on House Bill 133 Before the Ohio Senate Ways and Means Committee

### Greg R. Lawson, Research Fellow The Buckeye Institute April 11, 2018

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Thank you, Chairman Eklund, Vice Chair Terhar, Ranking Member Williams, and members of the Committee for the opportunity to testify today regarding House Bill 133 and the tax and regulatory exemptions for out-of-state emergency-response personnel.

My name is Greg R. Lawson. I am the research fellow at **The Buckeye Institute**, an independent research and educational institution -- a think tank -- whose mission is to advance free-market public policy in the states.

House Bill 133 exempts out-of-state workers from most of Ohio's state and local taxes if they are here responding to a Governor-declared state of emergency. The bill also rightly exempts such workers from state and local occupational licensing requirements. Given Ohio's byzantine local tax policies and its arcane occupational licensing regime, these exemptions are necessary and proper.

According to the Tax Foundation, a leading non-partisan tax research organization, Ohio has the unfortunate distinction of owning the worst municipal income tax system in the country.[1] Ohio also boasts some of the nation's most stringent occupational licensing requirements -- requirements that The Heritage Foundation[2], the Brookings Institute[3], and even the Obama[4] and Trump administrations[5] have all agreed hurt workers and

make it more difficult for people to work in their chosen professions. Our state's outmoded tax and licensing policies are even more absurd and risk even harsher consequences when imposed upon out-of-state rescue and emergency personnel coming to lend Ohio a helping hand.

The Buckeye Institute's *Ohio Illustrated: A Visual Guide to Taxes and the Economy*,[6] coauthored by the Tax Foundation, highlights the complexity and burdens of Ohio's local tax system currently imposed on out-of-state emergency responders who are here only to help. Not content to impose its onerous tax and licensing schemes on its own citizens, Ohio extends its failed policies to men and women from other states who have come to help restore our power, our water, and rebuild our infrastructure in the days after a disaster. A simple "thank you" would likely be more appreciated.

As The Buckeye Institute's **Economic Research Center** has explained repeatedly,[7] Ohio's occupational licensing requirements — essentially government permission slips to go to work in the morning — do not work for Ohioans, so one can only wonder why such requirements would ever work for *non*-Ohioans trying to relieve our communities hit hardest by some natural disaster. The fact is, of course, they won't.

House Bill 133's exemptions are both necessary and proper. Necessary: because when Ohio takes a devastating blow and must rebuild communities after floods, tornados, or winter storms, the last thing those communities should have to endure is bureaucratic red-tape preventing would-be responders from turning on the electricity or restoring potable drinking water while they wait for their licenses to clear. And proper: because sending a petty, unexpected tax bill to those who left the safety and comfort of their own home-states to help rescue ours is no way to show gratitude.

Once policymakers recognize the necessity and propriety of exempting non-Ohioans from these nettlesome policies, The Buckeye Institute hopes that Ohioans will soon get some much-needed relief from this broken system, too.

Thank you for your time and I look forward to responding to any questions that you might have.

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<sup>[1]</sup> Scott Drenkard and Greg R. Lawson, *In State Tax Battle, the Tar Heels Soar Above the Buckeyes*, Forbes, September 23, 2013.

<sup>=</sup> A

<sup>[2]</sup> Salim Furth, Costly Mistakes: How Bad Policies Raise the Cost of Living, The Heritage Foundation, November 23, 2015.

[3] Morris M. Kleiner, Reforming Occupational Licensing Policies, The Hamilton Project, March 2015.

[4] The White House, Occupational Licensing: A Framework for Policymakers, July 2015.

[5] Secretary of Labor Alexander Acosta, Speech before the 44th Annual Meeting of the American Legislative Exchange Council, U.S. Department of Labor, July 21, 2017.

[6] *Ohio Illustrated: A Visual Guide to Taxes and the Economy*, The Buckeye Institute and The Tax Foundation, June 7, 2017.

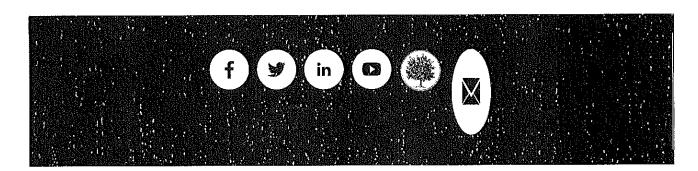
[7] Orphe Pierre Divounguys, PhD, Bryce Hill, and Greg R. Lawson, *Still Forbidden to Succeed: The Negative Effects of Occupational Licensing on Ohio's Workforce*, The Buckeye Institute, December 18, 2017; and Tom Lampman, *Forbidden to Succeed: How Licensure Laws Hold Ohioans Back*, The Buckeye Institute, November 18, 2015.

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Sent: Thursday, April 12, 2018 7:04 AM

To: Best, Carolyn

Subject: Burdensome Occupational Licensing Requirements is Causing a Real

Problem for Women

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# THE BUCKEYE INSTITUTE

# **Burdensome Occupational Licensing Requirements is Causing a Real Problem for Women**

By Lisa A. Gates April 12, 2018

Proponents of occupational licensing often claim that the reason we need licensing is to protect citizens -- both their health and safety. And protecting people is of paramount importance. But what if public health and safety aren't at risk? Or what if licensing requirements in one profession are completely out of line with a profession where workers are entrusted with peoples' actual lives?

That is what is happening with the debate over cosmetology licensing. As was recently pointed out in *The Columbus Dispatch*, "In Ohio, you can be an emergency medical technician after completing 800 hours of training, a police officer after 695 hours and a licensed practical nurse after 1,376 hours. And to sit for a licensing exam to cut hair? Would you believe 1,500 hours of training?"

Given these facts, it is apparent that public safety is hardly a legitimate concern when it comes to licensing cosmetologists.

There is a proposal to lower the number of training hours for a cosmetology license to 1,000 - the same as required in New York City. Opponents claim that this would hurt women and question if supporters of the change "have a women problem." This would be laughable, if the proposed change was not so important to women who want to enter the cosmetology profession to earn a better living for themselves and their families. The real problem for women is the skyrocketing costs and unnecessary time it takes to get a cosmetology license.

By lowering the hours required for a cosmetology license to the same as it is in New York City, Ohio would help women save money on school costs so they can begin their careers. As Dawn Hochwalt, a salon manager from Dayton, Ohio, said, "When I was in school it cost around \$6,000 to go to school and get a license, now that cost is \$20,000 or more. That debt is putting a tremendous burden on young people and the 1,500 hours they need to earn their license means they are not able to get on the salon floor to earn a living and pay off their debt."

=A

And cosmetology jobs are growing. According to the **Bureau of Labor Statistics**, job opportunities for cosmetologists will grow by 13 percent by 2026. However, with the barriers Ohio is putting in the way, these jobs will go unfilled and this growth in jobs will disappear.

If policymakers want to help women, be family-friendly, and help jobs and businesses grow they must remove barriers for people, particularly women, to pursue the careers of their choice.

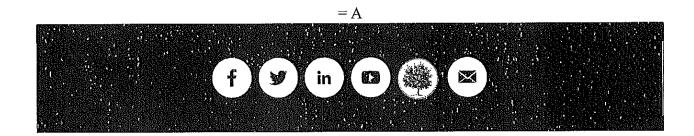
Lisa A. Gates is the vice president of communications at The Buckeye Institute.

#### ###

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From: The Buckeye Institute

Sent: Wednesday, April 18, 2018 2:55 PM

To: Best, Carolyn

Subject: The Buckeye Institute Praises Effort to Continue Rolling Back Red Tape



# THE BUCKEYE INSTITUTE

Contact: Lisa Gates, Vice President of Comms (614) 224-3255 or Lisa@BuckeyeInstitute.org

FOR IMMEDIATE RELEASE April 18, 2018

### The Buckeye Institute Praises Effort to Continue Rolling Back Red Tape

Columbus, OH -- The Buckeye Institute issued the following statement on legislative proposals designed to reduce regulatory burdens on Ohioans.

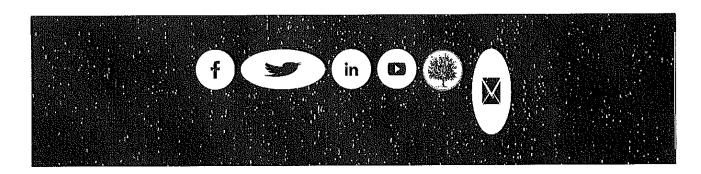
"Senate President Larry Obhof and the leadership of both chambers should be commended for continuing to go after red tape that strangles Ohio businesses and makes it difficult for people to begin working in the career of their choice.

"The Buckeye Institute has long called for eliminating duplicative and unnecessary regulations that do little-to-nothing to protect public health and safety and prevent Ohioans from creating jobs and beginning new careers. The proposals being considered by Senators Peterson, McColley, and Wilson and Representative Roegner are a step in the right direction.

"By tracking and reducing onerous regulations that do not affect public safety, Ohio can create a stronger economy much like the results seen in **British Colombia**, Canada and **New Zealand**."

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From: The Buckeye Institute

**Sent:** Friday, April 20, 2018 11:01 AM

To: Best, Carolyn

Subject: The Buckeye Institute: Ohio's Job Market Shows Positive Signs, Further

Reforms Needed to Make Ohio a National Leader



Contact: Lisa Gates, Vice President of Comms

FOR IMMEDIATE RELEASE April 20, 2018

(614) 224-3255 or Lisa@BuckeyeInstitute.org

### The Buckeye Institute: Ohio's Job Market Shows Positive Signs, Further Reforms Needed to Make Ohio a National Leader

Columbus, OH -- Andrew J. Kidd, Ph.D., the senior economist with the Economic Research Center at The Buckeye Institute commented on newly released unemployment data from the Ohio Department of Job and Family Services. (Click here to download the audio file.)

"Ohio's unemployment rate fell slightly to 4.4 percent, down from 4.5 percent in February. This continued trend, combined with a similar labor force participation rate, is a positive indicator that Ohio's job market is allowing individuals who desire jobs to get jobs. However, Ohio has yet to reach the national unemployment rate of 4.1 percent. This, as well as a labor force participation rate lower than the national average shows that Ohio still has work to do. The right reforms, such as **closing tax loopholes** and **removing unnecessary barriers to employment** through occupational licensing, would create opportunities for sustained job growth.

"Ohio continued to experience positive job growth with 8,600 new jobs in non-farm private employment. Coupled with January and February's job growth, more than 37,000 Ohioans have found jobs this year alone, which shows that Ohio's job market is still expanding. The growth in construction and manufacturing jobs (1,200 jobs and 1,500 respectively), is a

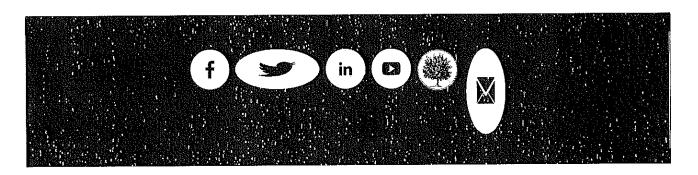
positive sign for economy-wide growth, and with the potential implications of tariffs will be important to watch in the coming months.

"Ohio in 2018 has experienced positive job growth. Yet, another month of an unchanged labor force participation rate once again implies that some individuals are still not searching for jobs. Reforms to occupational licensing, and an end to preferential tax credits to only certain industries would further expand Ohio's job market and help Ohio reach its goal of being a national leader in job creation."

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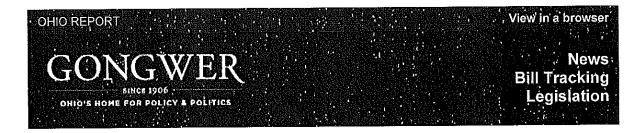
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Sent: Friday, April 20, 2018 6:19 PM

To: Best, Carolyn

Subject: Ohio Report, Friday, April 20, 2018

Attachments: 180420dayplan.htm; Apr20.htm; 180420plan.htm



# OHIO REPORT FRIDAY, APRIL 20

Energy Standards Bill Timeline Unclear As Another Wind Setback Proposal Is Introduced

State Unemployment Drops To Lowest Level In More Than 16 Years

Senator Backing Medical Marijuana Audit Bill Supports Review By Commerce Department

**High Court To Hear Traffic Camera Case** 

Candidates Stress Experience In House District 26 Primary

OPA: Pharmacists Can Serve As Educators In Opioid Struggle

Medical Pot Program Halt Rejected; Complaint Against DeWine Dismissed; No New Trial For Beck; Buckeye Institute Weighs In On Case... Issue 1 Backers Tout Endorsements; Cordray Takes Credit For Wells Fargo Fine; Yuko Calls For Action On Guns...

Sheehy Calls For Further Action On Ag Runoff; OEC Proposes Toxic Chemical Protections

Ohio Lands \$26 Million In Federal Opioid Funding; Senators Applaud Disaster Request Approval...

Chamber Of Commerce Endorses Issue 1; P&G, Key, More Report Financial Results; Toledo Businesswoman Added To SBAC

**Governor's Appointments** 

Supplemental Agency Calendar

### **CALENDARS**

Day Planner

**Event Planner** 

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### Daily Activity Planner for Saturday, April 21-Monday, April 23

Legislative Committees

No legislative committees scheduled.

### Agency Calendar

Monday, April 23

Controlling Board, North Hearing Rm., Senate Bldg., Columbus, 1:30 p.m. Human Trafficking Commission, 18th Fl., 150 E. Gay St., Columbus, 2 p.m.

#### Event Planner

Saturday, April 21

YMCA Youth & Government High School State Assembly 2, Statehouse, Columbus

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# Volume #87, Report #77 -- Friday, April 20, 2018 Energy Standards Bill Timeline Unclear As Another Wind Setback Proposal is Introduced

Senate President Larry Obhof this week referred to ongoing talks over the state's energy standards and wind turbine setback revisions as "a long-term project."

The remark lends further uncertainty to the timeline in which Senate Republicans hope to roll out a substitute bill on a measure (HB 1142) that in its current form waters down the state's renewable and energy efficiency benchmarks.

Earlier this month, Sen. Obhof had predicted a sub bill could be ready "in the next few weeks." (See Gongwer Ohio Report, April 6, 2018)

But asked this week about the Senate's priorities in the coming weeks, Sen. Obhof (R-Medina) said: "We've talked a number of times about energy, and particularly 114 probably now is a long-term project."

Sen. Obhof had previously labeled the measure a priority for the first part of the year but the timeline has been pushed back at every juncture as lawmakers grappled with a congressional redistricting ballot issue (SJR 5½), the capital budget (HB 529½) and other pressing proposals.

Sen. Bill Beagle (R-Tipp City) and Sen. Troy Balderson (R-Zanesville) are spearheading talks on that sub bill but have said the timeline and the extent of the changes to the legislation remain unclear. The caucus has yet to reach a consensus on the plan the senators presented behind closed doors last month. (See Gongwer Ohio Report, March 23, 2018)

Changes to loosen the state's setbacks for wind turbines are expected to be a component of the sub bill and advocates have continued pressing lawmakers in recent weeks to walk back restrictions put in place in a 2014. (See Gongwer Ohio Report, April 12, 2018)

Rep. Fred Strahorn (D-Dayton) on Tuesday introduced his own standalone measure to reduce setbacks (HB 6042). His plan joins several other legislative efforts to accomplish that feat, including proposals from Sen. Matt Dolan (SB 2382) and Sen. Michael Skindell (SB 1842).

The minority leader's proposal would require turbines to be no closer than 1,125 feet from the tip of a turbine to the exterior of the nearest habitable residential structure. Current law, in contrast, measures the distance from the structure's property line.

The measure would also make permanent tax exemptions for tangible personal property of a qualified energy project using renewable energy resources under certain conditions.

Trish Demeter, the Ohio Environmental Council's vice president of energy policy, welcomed the latest attempt.

"I applaud Leader Fred Strahorn for proposing HB604 - a bill which if passed, would pave the way for full scale wind development in Ohio," Ms. Demeter said.

"For too long, Ohioans have missed out on trends towards wind energy due to unnecessarily large setbacks from property lines. Fixing the wind setback issue is critical for further development of wind energy across the state, and bringing Ohio up to speed in the growing clean energy economy."

#### State Unemployment Drops To Lowest Level In More Than 16 Years

Ohio's unemployment rate dropped a notch to 4.4% in March, maintaining a positive trend of recent months and reflecting the best report since August 2001, according to the Department of Job and Family Services.

The March rate was a drop from 4.5% in February 2018, the agency reported. Total employment increased 10,800 over the month to 5,579,200, and the number of unemployed was down 9,000 to 253,000.

The unemployment total has dropped by 40,000 since March 2017, when the rate was 5.1%, and the state has seen an increased of 54,400 jobs during that period, according to state data compiled in conjunction with the federal Bureau of Labor Statistics.

"Another strong jobs report out today," Gov. John Kasich stated on his Twitter account. His statement was accompanied by a GIF of actor Chuck Norris giving a thumps-up.

"Since 2011, Ohioans have created 501,000 new private sector jobs, and unemployment is the best it's been since 2001," Mr. Kasich said. "We've come a long way since 2010. Let's keep it going, Ohio!"

Senate President Larry Obhof (R-Medina) said the number of new private jobs reflected an important milestone for the state. The positive news shows the GOP-run legislature's policies are working, he said.

"We work diligently to not only create an environment of possibilities for Ohio's job creators but also to ensure Ohioans from all backgrounds are prepared to take advantage of those opportunities," Sen. Obhof said in a release.

"We've done this through creating a jobs-friendly business environment, developing a jobs-ready workforce and empowering Ohio's small businesses, the backbone of our economy. While this is an important milestone that shows Ohio's policies are working, we have much more to do, and we will continue to build on this progress."

Despite the recent gains, Ohio still lags the nation, as the U.S. unemployment rate for March was 4.1%. That figure was unchanged from February and down from 4.5% in March 2017.

During a month when most sectors saw job gains, the best performers were the private service-providing sector, which added 5,700 positions, as well as trade, transportation, and utilities (+3,400). ODJFS noted the most significant losses in information (-700) and other services (-500).

Agency spokesman Bret Crow said eight industries or sub-sectors experienced record-high employment levels. They are: transportation, warehousing and utilities; finance and insurance; educational and health services; educational services; health care and social assistance; leisure and hospitality; accommodation and food services; and state government.

The March gains in the construction industry, which was up 1,200 jobs, represented the third consecutive month of steady job growth in the sector, which has gained 5,700 jobs over the last year, Mr. Crow said.

In addition, the state versus federal comparison on job growth favored Ohio, as the state added jobs at a rate that was more than double the national rate, or 0.19% versus 0.07%, he said. And the average weekly earnings for Ohioans is up \$3.14 compared to last month and \$28.45 compared to last year, both outperforming the national rate.

"It's an across-the-board positive report with lower unemployment and new job growth that doubled the nation's," Mr. Crow said.

Andrew J. Kidd, senior economist with the Economic Research Center at The Buckeye Institute, said the latest jobs report shows "Ohio's job market is allowing individuals who desire jobs to get jobs."

"However, Ohio has yet to reach the national unemployment rate of 4.1%, he added. "This, as well as a labor force participation rate lower than the national average, shows that Ohio still has work to do. The right reforms, such as closing tax loopholes and removing unnecessary barriers to employment through occupational licensing, would create opportunities for sustained job growth."

"Ohio in 2018 has experienced positive job growth. Yet, another month of an unchanged labor force participation rate once again implies that some individuals are still not searching for jobs," Mr. Kidd added.

Hannah Halbert, researcher with Policy Matters Ohio, said the state has gained more jobs in the first three months of 2018 than in all of 2017.

"While labor force participation suggests there is still room for improvement, Ohio's labor market is finally tightening," she said. "Even so, many jobs pay too little and offer too-few hours, making it nearly impossible to afford basics like food and health care without

public support. Raising the minimum wage, restoring the 40-hour work week, and supporting paid leave would make the most of this tighter labor market and help rebuild a path to the middle class."

Ms. Halbert said Ohio continues to underperform the nation's 12-month rate for job growth and has "vastly underperformed" the rest of the U.S. since the 2005 tax overhaul was enacted.

"Ohio is not out of the woods. A bad month or two could erase this streak and more months of solid growth are needed to take up the remaining slack in our labor market," she said.

# Senator Backing Medical Marijuana Audit Bill Supports Review By Commerce Department

A senator who sponsored legislation to require an audit of the medical marijuana licensing process said he's supportive of efforts by the Department of Commerce to perform its own review.

Sen. Bill Coley (R-Liberty Twp.) introduced a proposal (SB 264 ) in February to require a state auditor investigation of DOC's awarding of provisional licenses for medical marijuana growers, including a set timeframe for the review and the awarding of certificates of operation.

It was intended to remove any clouds of suspicion or impropriety from the licensing process, the sponsor said. (See Gongwer Ohio Report, February 22, 2018)

That measure had its first hearing this week in the Senate Health, Human Services & Medicaid Committee. (See Gongwer Ohio Report, April 17, 2018)

Since February, DOC and other agencies involved in the medical marijuana program have worked to tamp down expectations for the initiative's Sept. 8 go-live date, saying it's unlikely all license recipients will be operational by then. (See Gongwer Ohio Report, April 5, 2018)

The agency worked with an attorney general-appointed special counsel to hire a third-party auditor to review the scoring and find possible improvements. The department reported Friday that Ernst & Young was retained for the work, which does not have a set deadline for completion but is expected to take "a matter of weeks" to finish.

Sen. Coley complimented the department on that effort and said the goal of his legislation is simply to ensure the state has a fair process.

"You could easily argue that they're already doing those things," he said in an interview. "I want to make sure it gets done and it gets followed through."

He encouraged the department to work with the auditor's office to ensure the process is thoroughly reviewed.

"I support Commerce going through and looking at the whole thing, re-scoring if necessary and awarding additional licenses if warranted," he said. "I think that's all a good thing and it would be for the benefit of all patients and the state of Ohio."

Sen. Coley said he's confident the department will correct any issues.

"I think they realize that some mistakes were made and they want to correct them," he said.

DOC will go before the Controlling Board Monday to request more than \$5 million for staffing, legal costs and other expenses for the medical marijuana program. (See Gongwer Ohio Report, April 16, 2018)

#### High Court To Hear Traffic Camera Case

The battle over automated traffic cameras will continue next week with the latest front being the Ohio Supreme Court.

The city of Toledo and the state are at odds over a previous budget (HB64, 131st General Assembly) provision that allows the state to reduce Local Government Fund distributions for non-compliance with traffic camera restrictions (SB342, 130th General Assembly), some of which were struck down by the high court. (See Gongwer Ohio Report, July 26, 2017)

Ten days prior to the traffic camera restrictions becoming law, the city asked for and received an injunction from the Lucas County Common Pleas Court, the high court reported.

Lawmakers then passed the biennial budget containing the LGF reduction provisions. The city again asked for and received an injunction from the trial court, which found the state would be in contempt if it withheld funding from cities based on non-compliance with a law found to be unconstitutional.

The Sixth District Court of Appeals upheld the ruling, leading to the state appeal to the high court, where it argues the budget provision is a reporting requirement and a formula for discretionary spending. (Docket)

"Toledo has no 'home rule' right to receive money from the General Assembly," the state writes in a brief. "It is not 'losing' money that it has, but rather choosing to give up money in order to run its traffic-camera program as it sees fit."

The state also contends that the city should have been required to file a separate lawsuit in the matter and that the injunction is a violation of separation of powers.

"The Sixth District's holding invades the legislative power and exceeds the judicial power because courts do not have roving license to enjoin legislation," the state argues. "Courts must instead draw the power to block legislation from specific constitutional prohibitions."

The city, however, claims that lawmakers are seeking to coerce compliance with unconstitutional laws.

It also argues that the state is the guilty party when it comes to the violation of separation of powers.

"If the General Assembly could simply ignore the judicial branch any time legislation is struck by withholding funds to those entities that do not comply with the unconstitutional legislative acts, then there is no separation of powers because the legislature would reign supreme," the city writes in its brief.

"This type of legislation is not a 'new' law that merits a separate lawsuit and separate constitutional analysis, but moreover an affront to the authority of the judiciary. The Penalty Provisions try to avoid judicial control by reenacting unconstitutional laws."

The case is slated for oral arguments as another measure (HB 4102) authored by the primary sponsor of the 2014 law works its way through the General Assembly.

Rep. Bill Seitz's (R-Cincinnati) legislation would eliminate the use of administrative hearings when a civil citation is issued for a traffic violation recorded by a photomonitoring device and require local governments that use traffic-monitoring devices to annually file a report with the tax commissioner detailing how much revenue is generated from their use which will then be subtracted from the LGF distribution.

The court will hear three other cases next week:

- In State v. Dunson, a Montgomery County man convicted of murder and aggravated robbery will ask the justices to set aside \$6,199 in court costs.
- The court in East Manufacturing v. Testa will determine if a Portage County company is eligible for a use tax exemption for the purchase of natural gas it uses to heat six buildings where aluminum truck trailers are constructed.
- A bank will argue that despite federal rules requiring a face-to-face meeting with a borrower after three missed mortgage payments prior to proceeding with a foreclosure it should be allowed to move forward because the meeting occurred during court-ordered mediation after the second attempt to foreclose in the case of Wells Fargo Bank v. Burd.

Candidates Stress Experience In House District 26 Primary

A Columbus City School Board member and a law clerk with a background in youth advocacy each say their breadth of experience make them the ideal candidates for the 26<sup>th</sup> House District.

The Democrat-leaning district is currently represented by Rep. Hearcel Craig (D-Columbus), whose bid for the Senate is opening the path for a new face. Michael Cole, 45, and Erica Crawley, 37, are both working to secure the Democratic nomination, after which the victor will likely face Republican Shareeque Sadiq in November.

Mr. Cole said he has a track record of "having gotten things done in the most tough circumstances" thanks to his two terms on the school board.

"It's one thing when the whole deck's lined up for you and you're accomplishing some things of the work and will of people," he said. "It's another to have every kind of almost insurmountable obstacle against you whether it's state, federal, local discontent for something and still move the needle of achievement."

Ms. Crawley, while touting her own experience, credits her desire to enter public office to her great aunt who in 2007, shortly before her death, asked her during a conversation on political leaders, "Why not you?"

"She was never elected, never interested in politics per se, but she gave her time," Ms. Crawley said. "She spent a lot of time with the church, with homeless families. She never met an enemy. People loved my aunt and she loved people. I would hope she would be proud of me if I could be half the woman she was and make the impact she made."

Mr. Cole is originally from Cleveland but first came to Columbus as a student at Ohio State University. "This city kind of had me at hello," he said.

He picked up a master's degree in communication at Seton Hall University and then chose to return to Columbus where he sought out service opportunities including a five-vear stint as area commissioner in Westgate.

"The opportunity and potential that this city offers I think is tremendous," Mr. Cole said. "I think it was almost a spiritual calling to end up in this city."

He said he worked on neighborhood safety and beautification issues, before segueing into politics and hosting a public affairs radio show. He was first elected to the school board in 2013 and reelected last year. He's currently vice president of the board, which is dominated by Democrats.

"I came with the mindset of working to ensure and strengthen accountability, curriculum, transparency and safety in the district," Mr. Cole said. "I'm committed to bringing that same mindset to the Statehouse."

Even though it contains solely Democrats, he said, the school board has taught him valuable lessons.

"Even if everyone's on the same page from the politics standpoint everyone brings different points of view, skills, knowledge and attitude," Mr. Cole said. "Working among a body politic making decisions and brokering decisions...on matters that effect people is something I've tremendously learned from this experience."

Ms. Crawley is also a transplant, hailing originally from Youngstown. She spent 2000-2003 serving in the United States Navy in Virginia. After giving birth to twin girls - Hope and Faith, who are now 13 - she moved to Cleveland where she finished her college degree in criminology with a focus on juvenile delinquency.

Next was a stint in Atlanta where she received her masters and had an array of jobs centered on supporting youth including work for the Black Child Development Institute and the Court Appointed Special Advocate program.

She returned to Columbus where she attended Capital University Law School, graduating in 2017 with a concentration in civil litigation. Following that, she clerked for Honda North America and since 2016 has clerked for Eastman and Smith's Columbus office.

Both candidates list education as a central plank of their platforms. For Ms. Crawley that means ensuring equal access to quality education.

"I am an advocate for universal Pre-K," she said. "But also making sure all of our children have the same opportunities. Addressing school funding and school resources definitely plays a part."

She said she also wants to expand trade school options for young students and to focus on economic development.

"Especially in the 26<sup>th</sup> District there is disinvestment and underinvestment in that community," she said. "I would love to focus on micro-business and small businesses and making sure my neighbors have access to those resources."

She added she'd press for equal access in other areas, such as healthcare, including addiction and mental health support services.

"With that, making sure our aging population has the services they need," Ms. Crawley added. "There are a lot of grandparents taking care of their grandchildren and they don't have the resources necessary to do that effectively."

On the education front, Mr. Cole said he wants to restore consistency, including possibly by requiring five-year curriculum plans. He likened his experience on the board to being Harry Houdini locked in a box with the key inside as he's thrown over Niagara Falls.

"I find out a lot of what confines public schools period...is they are all boxed in by state laws that don't take consideration to how certain things affect us," he said. "From funding to property taxes to education and curriculum and how important it is to make sure it's steady, consistent."

In other areas, Mr. Cole said he wants to alleviate property tax burdens and create more opportunities for mixed income housing.

"I think there are any number of ways we can look at funding public education that doesn't solely fall on the backs of property owners, particularly in poor communities," he said. "I think we can do some income tax sharing. ... I think there are some win-wins. We just have to turn over some stones."

Ms. Crawley said she's the candidate voters should turn to if they seek experience thanks to a career and life experience span the spectrum from nonprofit to for-profit, military and civilian.

"I've had a commitment to being of service to others," she said. "If you look at my career either professionally or in volunteerism...! have always had a commitment to making a different in the communities in which I lived and making a difference especially for individuals who come from poverty or low-income families."

Mr. Cole and his wife Lee have three children, ages 21, 15 and 14. He is a substitute social studies teacher who enjoys motorcycles and muscle cars.

In addition to spending time with her daughters, Ms. Crawley said she collects books, particularly of the professional development variety or autobiographies.

Subscribers Note: This story is part of a series focusing on key primary races for Ohio legislative seats. See Gongwer's Election Page for more information on 2018 contests, including our Key Races.

#### OPA: Pharmacists Can Serve As Educators In Opioid Struggle

From asking customers to question potentially counterfeit pills to teaching them how to dissolve old medication in cat litter or coffee grounds, Ohio's pharmacists have a key role in fighting the state's opioid epidemic.

That was the message from officials with the Ohio Pharmacists Association to the nearly 1,000 pharmacists and students who attended the group's 140<sup>th</sup> annual conference and trade show Friday at the Greater Columbus Convention Center.

Ernie Boyd, executive director of the OPA, said pharmacists and the public need to "keep the pressure on" to get patients to request other medications and medical professionals to write fewer prescriptions for opioids.

Mr. Boyd said over-the-counter drugs can be a fine alternative to prescription opiates. He said he thinks it was a "major mistake" to allow ibuprofen and other anti-inflammatory or pain-relief medication to be sold without a prescription.

"In the public's mind, (ibuprofen) is as innocuous as cheese or rutabaga because it's sold next to those products," he said. "I think that's insane. These are very potent drugs."

The public tends to believe prescription drugs inherently are more effective and overthe-counter drugs safer, Mr. Boyd said, adding that's not always the case.

The convention included a demonstration of multiple ways people can dispose of old or unneeded medication, from using specialty kits to mixing it with water and coffee grounds or cat litter to make it unpalatable to animals and children. Mr. Boyd said pharmacists can explain the importance and methods of disposal and serve on local drug task forces to assist in the opiate fight.

The group also advised pharmacists to explain the importance of avoiding medication from potentially dubious sources, whether it be an acquaintance or an online retailer.

"The large majority of internet sites are (fraudulent)," Mr. Boyd said. "Ninety-eight percent of the online pharmacies are not pharmacies at all. They're fake."

He said counterfeit pills may look virtually indistinguishable from pills produced by the actual manufacturer and could include powerful opioids such as fentanyl and carfentanil. The consequences of consuming the bootleg drugs range from addiction to death.

Dr. Michael Ybarra, deputy vice president of advocacy and strategic alliances at PhRMA, said the public needs to get medicine from a trustworthy source. He said buying from "roque online pharmacies" can be a dangerous move.

"The safest thing to do is to buy at a pharmacy," he said. "The U.S. distribution system is totally closed (with) FDA inspected facilities."

Mr. Boyd said there are some legitimate online pharmacy sites, which typically feature the National Association of Boards of Pharmacy's Verified Internet Pharmacy Practice Sites logo and have a pharmacy domain names.

The most important advice for members of the public, Mr. Boyd said, might simply be to stop using medication that was not prescribed to them.

"You just don't share any of the stuff, period," he said."

Medical Pot Program Halt Rejected; Complaint Against DeWine Dismissed; No New Trial For Beck; Buckeye Institute Weighs In On Case... A Franklin County judge on Friday declined to put the state's medical marijuana program on hold.

Instead, Franklin County Common Pleas Court Judge Richard Frye will consider the matter again at a May 11 hearing.

"We're pleased that there's been a decision not to pause the program," said Thomas Rosenberger, a spokesman for the National Cannabis Industry Association of Ohio.

The Friday hearing was a result of a lawsuit filed by Ohio Releaf LLC, which was denied a cultivator's license and subsequently sued the Department of Commerce for what it alleges is a failure to comply with public record laws and to hold a timely administrative appeal hearing.

DOC has hired an independent auditor to review its processes. (See separate story)

**Dismissed Complaint:** A three-judge panel has dismissed one of four counts of allegedly violating canons of the Ohio Judicial Code of Conduct filed against Ohio Supreme Court Justice Patrick DeWine.

The count alleges that Justice DeWine asked Hamilton County Prosecutor Joe Deters, who had 48 cases pending before the court at the time the complaint was filed, to hire his son for an internship.

The remaining allegations involve Justice DeWine's father, Attorney General Mike DeWine. The complaint alleges Justice DeWine improperly failed to recuse himself from cases in which AG DeWine is named as a party and that he appears on his father's gubernatorial campaign web site.

Justice DeWine has denied all of the alleged charges.

**New Trial:** The nation's highest court has declined to order a new trial for a former state lawmaker.

The U.S. Supreme Court declined to grant the request of former Rep. Peter Beck for a new trial. The decision was issued without comment.

Mr. Beck in 2015 was found guilty of 13 charges and sentenced to serve four years in prison. However, a state appellate court in 2016 overturned 10 charges and Mr. Beck served just 16 months in prison.

Amicus Brief: The Buckeye Institute has filed an amicus brief with the Sixth Circuit Court of Appeals asking it to strike down a Tennessee law it says discriminates against outdoor advertisements and signs with ideological messages.

The group said the law, which is designed to be in compliance with the Highway Beautification Act of 1965, is a violation of the First Amendment.

"While we all enjoy a scenic drive and beautiful roadways, the First Amendment is even more precious to Americans and its protections must not be violated in the name of highway beautification," President and CEO Robert Alt said in a statement. "Restricting the placement of outdoor advertisements solely based on the sign's message is a clear infringement of free speech and must be overturned."

**Crew Dispute:** Major League Soccer and the Precourt Sport Ventures, owner of the Columbus Crew, have asked the Franklin County Court of Common Pleas to dismiss a lawsuit designed to prevent the team from moving to Texas.

In a motion to dismiss, the groups call the Art Modell law "blatantly unconstitutional."

"The statute violates the dormant Commerce Clause of the United States Constitution because it both discriminates against out-of-state residents and impermissibly interferes with the defendants" abilities to conduct their business in interstate commerce," the filing reads.

The law requires the owner of an Ohio professional sports team that plans to cease playing most of its home games in the state to provide six months' notice in order to give others an opportunity to purchase the franchise

**Disciplinary Cases:** The Board of Professional Conduct on Friday announced that is has filed 10 disciplinary case reports with the high court.

## Issue 1 Backers Tout Endorsements; Cordray Takes Credit For Wells Fargo Fine; Yuko Calls For Action On Guns...

The bipartisan Coalition for Redistricting Reform, the group backing Issue 1, on Friday announced a slew of endorsements for the ballot measure.

The endorsements include the Ohio AFL-CIO, the Ohio Chamber of Commerce, the Ohio Council of Churches, the Ohio Education Association, the Ohio Environmental Council, the Ohio Farm Bureau and the NAACP Ohio Chapter.

Campaign advisor Keary McCarthy in a statement said the endorsements "truly signal the bipartisan nature of fixing the way we draw our congressional districts in Ohio."

"Our state lawmakers stepped up to make this bipartisan fix to a very partisan problem a reality, and I'm thrilled to see these powerful groups across Ohio come aboard," he added.

**Wells Fargo:** Richard Cordray on Friday weighed in on the news that the Consumer Financial Protection Bureau fined Wells Fargo \$1 billion.

The bureau's former director in a statement sought to downplay the role that acting Director Mick Mulvaney played in issuing the fine.

"Mulvaney has brought no new enforcement actions since he has been at the CFPB," he said. "Investigations that take many months or even years, and that are just now being finalized, are due to the aggressive work my team did to bring predatory behavior to light. To suggest this is the work of Mulvaney, who has done nothing but throw sticks in the spokes of a talented, hard-working CFPB team of devoted public servants is preposterous."

**Gun Legislation:** Senate Minority Leader Kenny Yuko (D-Richmond Hts.) used the anniversary of the Columbine school shooting to call for legislation to reduce gun violence.

Sen. Yuko in a statement commended students who on Friday walked out of school to mark the 19<sup>th</sup> anniversary of the school shooting.

"Our young people have sent us a clear message: we need to act now to protect them. The Senate Democratic Caucus has introduced numerous common-sense proposals to address gun violence and help keep our kids safe. Many of these bills have yet to receive a hearing," he said.

"As a leader in the Ohio Senate, I know we have to do more to stop violence in our schools. Schools should be places where children worry about upcoming math tests, and not about active shooters."

**Gun Rally:** Three gun rights groups on Saturday will hold a "Patriot Day Rally" at the Statehouse.

The 11 a.m. event hosted by Ohioans for Concealed Carry, Ohio Carry and the Buckeye Firearms Association will feature historical information on the role of private gun ownership in the country's founding and immigrants who will talk about their experiences before and after coming to America, according to a release.

**NFIB Endorsement:** Rep. Larry Householder (R-Glenford), a speaker hopeful, has the backing of National Federation of Independent Business/Ohio in his reelection bid, the group announced Friday.

Roger Geiger in a statement said Rep. Householder "understands the issues important to Ohio entrepreneurs as demonstrated by his strong voting record with NFIB."

# Sheehy Calls For Further Action On Ag Runoff; OEC Proposes Toxic Chemical Protections

Rep. Michael Sheehy (D-Oregon) criticized state leaders this week after a recent report showed more work is needed to curb the runoff of phosphorus and other nutrients into Ohio's waterways.

His remarks were centered on the Ohio Environmental Protection Agency's Nutrient Mass Balance Study. The report found "no clear decrease" in nutrient loading, especially from nonpoint sources like agricultural runoff. (See Gongwer Ohio Report, April 17, 2018)

Rep. Sheehy in a statement singled out farmers for their role in contributing to runoff that can fuel harmful algal blooms in Lake Erie.

"This new report shows that despite years of deceptive talking points from powerful industry representatives in Columbus, we know where all this excess phosphorus pollution has been coming from," Rep. Sheehy said.

"It's not complicated: if you are causing nearly 90% of a problem, you should participate in searching for a solution," he continued. "Instead, their lobbyists have prioritized fighting against policy solutions and even shifting the blame to urban centers that suffer the worst of these consequences."

The Ohio Farm Bureau previously said the report shows that agriculture must play a role in improving water quality. But a spokesman said new regulations aren't needed in the group's view.

**Chemicals:** The Ohio Environmental Council is requesting the U.S. Environmental Protection Agency crack down on toxic chemicals.

The request comes in the form of a petition for rulemaking filed by the council seeking new protections again carcinogen perfluorooctanoic acid and other substances that can be pumped into water and air by manufactures.

"These companies need to stop emitting these chemicals before extensively studying them, and our proposed rules would stop this dangerous practice," said Chris Tavenor, an OEC law fellow.

Copies of the request were also submitted to President Donald Trump, Gov. John Kasich, Ohio EPA Director Craig Butler, Attorney General Mike DeWine and members of Ohio's congressional delegation.

# Ohio Lands \$26 Million In Federal Opioid Funding; Senators Applaud Disaster Request Approval...

For the second consecutive year, Ohio is poised to receive a \$26 million funding infusion to buoy efforts to combat the opioid epidemic.

The funding announced this week comes from the 21st Century CURES Act passed in 2016. It's part of \$485 million in grants to be divvied up among states this year. Ohio received a similar amount of dollars under the program last year during the first round of funding. (See Gongwer Ohio Report, April 20, 2017)

"This is good news for Ohio, and these new funds will help our efforts to combat the heroin and prescription drug epidemic gripping our state," U.S. Sen. Rob Portman (R-Terrace Park) said in a statement. "This is another positive step forward, but we must do more, and that's why I continue to push for common-sense solutions like the STOP Act and CARA 2.0 that will help us turn the tide of addiction in Ohio and around the country."

U.S. Sen. Sherrod Brown (D-Cleveland) likewise applauded word of the additional funding.

"For too long, Ohio communities have been desperate for the federal government to step up and provide the necessary resources to effectively combat the opioid epidemic," Sen. Brown said. "While we know there is more work to be done, this funding is a meaningful step forward for Ohio. It's important that the state work to get this funding out to local communities quickly as they continue to battle this epidemic."

The dollars are aimed at boosting evidence-based programs and are overseen by the U.S. Department of Health and Human Services.

**Emergency:** Sens. Brown and Portman also welcomed President Donald Trump's approval of Gov. John Kasich's request for disaster assistance following largescale flooding in February. (See Gongwer Ohio Report, April 17, 2018)

Sen. Brown said the declaration "will go a long way in helping reassure Ohio communities impacted by last month's devastating floods that they are not alone."

Sen. Portman said, "It will allow our affected communities to get much-needed federal assistance following this winter's terrible storms."

**Wright-Patterson:** Ohio delegates urged the Pentagon to pick the Dayton-area Air Force base to house the F-35 Hybrid Product Support Integrator Organization.

Wright-Patterson is "uniquely qualified" to handle that role, which could mean an additional 400 jobs, all of Ohio's senators and representatives wrote to Secretary of the Air Force Heather Wilson.

"Based on the criteria used during the strategic basing process, we believe WPAFB's workforce makes the base the logical location for HPSI," the lawmakers wrote. "The basing process specifically requires acquisition professionals who are Defense Acquisition Workforce Improvement Act certified with tactical fighter support experience, and WPAFB's workforce of engineers, programs managers, logistics managers, and contracting personnel would provide HPSI with an exceptional staff."

### Chamber Of Commerce Endorses Issue 1; P&G, Key, More Report Financial Results; Toledo Businesswoman Added To SBAC

The Ohio Chamber of Commerce has thrown its support behind a ballot issue aimed at reforming the state's redistricting guidelines.

The group's board of directors earlier this week voted to support Issue 1.

"The Ohio Chamber has long recognized the need for sensible changes to the redistricting process and we are pleased to join the bipartisan coalition supporting State Issue 1," President & CEO Andrew E. Doehrel said in a statement. "Job creators know the value of a fair and competitive playing field in the marketplace, and State Issue 1 will bring this element of necessary, healthy competition to congressional campaigns, as well."

Mr. Doehrel said the group twice in the past 15 years opposed redistricting efforts that "did not represent a consensus approach."

**Procter & Gamble**: The Cincinnati-based company saw net sales of \$16.3 billion in the third quarter, up by 4% from the previous year.

Organic sales increased 1% for the quarter ended March 31, P&G reported. Diluted net earnings per share were \$0.95, an increase of 2%.

Operating cash flow was \$3.4 billion for the quarter, while adjusted free cash flow productivity was 95%, according to the company.

P&G returned \$3.2 billion to shareholders via \$1.8 billion of dividend payments and \$1.4 billion of common stock repurchase.

"We delivered modest top- and bottom-line growth in a challenging macro environment in the third quarter," Chairman, President and CEO David Taylor said in a statement. "We have large businesses in several difficult markets. The ecosystems in which we operate around the world are being disrupted and transformed. We will change at an even faster rate — winning through superiority, cost and cash productivity and a strengthened organization and culture."

**KeyCorp**: The Cleveland-based company reported. \$402 million in net income, or \$0.38 per common share, in the first quarter.

The financial services company reported net income of \$296 million over the same period in the previous year.

"First quarter was a good start to the year, with continuing momentum in our core businesses, as we grew and expanded relationships with our targeted clients," Chairman and CEO Beth Mooney said in a statement. "Revenue increased over 3% from the same period last year, driven by a higher net interest income, solid loan growth and stronger fee income."

**First Financial**: The Cincinnati-based bank reported net income of \$30.5 million, or \$0.49 per diluted common share, in the first quarter.

First financial reported net income of \$24.8 million, or \$0.40 per diluted common share, in the previous quarter.

"We are extremely pleased with our strong first quarter performance, representing our 110th consecutive quarter of profitability and top-quartile level returns," Executive Chairman Claude Davis said in a statement. "We are also excited about our recent merger with MainSource which closed on April 1st. We welcome our new colleagues from MainSource and together look forward to building an even stronger company going forward."

**SBAC**: Lt. Gov. Mary Taylor has appointed Jennifer Zalecki to the Small Business Advisory Council.

Ms. Zalecki serves as president and CEO of Toledo-based Battery Wholesale. The company, which Ms. Zalecki's father founded in 1983, operates seven retail stores in the greater Toledo area.

"Jennifer has been an effective small business advocate through her service to the Toledo Regional Chamber of Commerce and has demonstrated her high business acumen through the success of her own company," Lt. Gov. Taylor said.

#### Governor's Appointments

Ohio Thoroughbred Race Fund Advisory Council: Kimpton E. Williams of Waynesville for a term beginning April 20, 2018, and ending January 31, 2021.

State Board of Emergency Medical, Fire, and Transportation Services: Capt. Kevin T. Uhl of Sycamore Township for a term beginning April 20, 2018, and ending November 12, 2019.

**Public Benefits Advisory Board:** Dasmine Wright of Columbus for a term beginning April 20, 2018, and ending June 30, 2018.

### Supplemental Agency Calendar

Monday, April 23

Human Trafficking Commission, 18th Fl., 150 E. Gay St., Columbus, 2 p.m. Friday, April 27

Accountancy Board, 77 S. High St., Conference Room West B & C, 31st Floor, Columbus, 10 a.m.

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